FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ______________

Commission file number 0-18183

G-III APPAREL GROUP, LTD.
(Exact name of registrant as specified in its charter)

Delaware	41-1590959
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification no.)
512 Seventh Avenue, New York, New York	10018
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 403-0500

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $.01 par value.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. [ ]

As of July 31, 2002, the aggregate market value of the registrant's voting stock held by non-affiliates of the registrant (based on the last sale price for such shares as quoted by the Nasdaq National Market) was $20,936,869.

Indicate by check mark if the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes [ ] No [X]

The number of outstanding shares of the registrant's Common Stock as of March 31, 2003 was 6,875,827.

Documents incorporated by reference: Certain portions of the registrant's definitive Proxy Statement relating to the registrant's Annual Meeting of Stockholders to be held on or about June 12, 2003, to be filed pursuant to Regulation 14A of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, are incorporated by reference into Part III of this Report.

ITEM 1. BUSINESS

Unless the context otherwise requires, "G-III", "us", "we" and "our" refer to G-III Apparel Group, Ltd. and its subsidiaries. References to fiscal years refer to the year ended or ending on January 31 of that year. Our Internet address is "www.g-iii.com".

OVERVIEW

G-III designs, manufactures, imports and markets an extensive range of leather and non-leather apparel including coats, jackets, pants, skirts and other sportswear items under our own labels, licensed labels and private retail labels. Our own labels include "G-III,"(TM) "Siena Studio,"(TM) "Colebrook & Co,"(TM) "JLC,"(TM) "J.L. Colebrook,"(TM) and "ColeB"(TM). We have recently launched a new women's label, "Black Rivet"(TM), with apparel bearing this label expected to be in department stores for the fall 2003 season.

The sale of licensed products is a key element of our strategy. We initiated our strategy of offering licensed product in 1993 and, between 1993 and 1999, we significantly expanded our offerings of licensed products. As a result, we have licenses to design and market a line of women's leather and woven outerwear under the Kenneth Cole New York and Reaction Kenneth Cole labels and to design and market women's outerwear under the Nine West label. We also secured licenses with the four major sports leagues (football, hockey, basketball and baseball) to manufacture outerwear using NFL, NHL, NBA and MLB team logos.

We have continued to expand our portfolio of licensed products during the last three years. In February 2000, we entered into a license agreement with Cole Haan to design and market men's and women's outerwear. In January 2001, we acquired certain assets of Gloria Gay Coats, LLC and entered into a license agreement with Jones Apparel Group to design and market women's wool outerwear under the Jones New York and JNY Jones New York labels. In July 2001, we entered into an expanded license with the NFL, which became effective in April 2002, to manufacture a comprehensive line of adult outerwear. In August 2001, we entered into a license agreement to produce a men's outerwear line under the Sean John brand name. In December 2001, we entered into a license agreement to design and market men's leather outerwear under the Timberland brand.

In 2002, we targeted several different niche areas for expansion of our licensed business. In May 2002, we started our "hot markets" sports business. This business involves producing selected apparel for major sporting events and hot sports teams in a very quick time frame. We also entered into licenses in July 2002, to market and produce adult and youth apparel under the Louisville Slugger brand name, in August 2002, to market and produce James Dean men's outerwear, and in December 2002, to market and produce Blassport women's leather outerwear collections and Bill Blass women's shearling outerwear collections.

We operate our business in two segments, non-licensed apparel and licensed apparel. The non-licensed apparel segment includes sales of apparel under our own brands and private label brands, as well as commission fee income received on sales that are financed by and shipped directly to our customers. The licensed apparel segment includes sales of apparel brands licensed by us from third parties. See Note M to our Consolidated Financial Statements for financial information with respect to these segments.

We are a Delaware corporation that was formed in 1989. We and our predecessors have conducted our business since 1974.

PRODUCTS - DEVELOPMENT AND DESIGN

G-III manufactures and markets a full line of women's leather apparel and an outerwear line of men's leather apparel at a wide range of retail sales prices. Our product offerings also include textile outerwear, woolen coats, raincoats and sportswear. We sell products under our own brand names, licensed brand names and private retail labels.

G-III's non-licensed apparel consists of both men's and women's products. The Colebrook & Co., JLC, J.L. Colebrook, and Black Rivet lines of women's apparel consist of moderately priced women's leather apparel that typically sell at retail prices from $40 for sportswear items to $300 for coats. Siena Studio, our bridge-priced line of women's leather apparel, primarily consists of jackets and skirts with retail prices from $100 for skirts to $600 for outerwear. Products in our men's lines of leather outerwear, sold under the G-III and Colebrook labels, typically have retail prices between $40 and $400. Our moderately priced lines of women's textile outerwear and sportswear, sold under the Colebrook & Co., JLC, J.L. Colebrook, ColeB, and Black Rivet labels have retail prices in the range of $50 to $200.

G-III's licensed apparel also consists of both men's and women's products. Our strategy is to seek licenses that will enable us to offer a range of products targeting different price points and different tiers of distribution. Women's licensed apparel includes leather and textile garments which typically sell at retail prices from $100 for sportswear items to $2,500 for leather coats. Men's licensed apparel consists of leather, leather and textile combination and textile apparel that typically sell at retail prices from $50 for sportswear items to $2,000 for leather coats. Our new Hot Markets product line consists of moderately priced apparel that typically sells at retail prices from $18 for tee shirts to $475 for leather jackets.

We work closely with our licensors in creating designs and styles for each licensed brand sold by us. Licensors generally must approve products to be sold under their brand names prior to production by us.

We also work with retail chains in developing product lines sold under private labels. With regard to private label sales, we meet frequently with buyers who custom order products by color, fabric and style. These buyers may provide samples to us or may select styles already available in our showrooms. We believe we have established a reputation among these buyers for the ability to arrange for the manufacture of apparel on a reliable, expeditious and cost-effective basis.

Our in-house designers are responsible for the design and look of our licensed and non-licensed products. We respond to style changes in the apparel industry by maintaining a continuous program of style, color, leather and fabric selection. In designing new products and styles, we attempt to incorporate current trends and consumer preferences in our product offerings. We seek to design products in response to trends in consumer preferences, rather than to attempt to establish market trends and styles.

Design personnel meet regularly with our sales and merchandising departments, as well as with the design and merchandising staffs of our licensors, to review market trends, sales results and the popularity of our latest products. In addition, our representatives regularly attend trade and fashion shows and shop at fashion forward stores in the United States, Europe and the Far East. They present sample items to us along with their evaluation of the styles expected to be in demand in the United States. We also seek input from selected customers with respect to product design. We believe that our sensitivity to the needs of our retail customers, coupled with the flexibility of our production capabilities and our continual monitoring of the retail market, enables us to modify designs and order specifications in a timely fashion.

LEATHER AND TEXTILE APPAREL

MANUFACTURING

G-III's products are imported from independent manufacturers located primarily in China and, to a lesser extent, in South Korea, India, Indonesia, the Philippines, Hong Kong, Mexico and Europe. In fiscal 2003, we manufactured approximately 29% of our products at our wholly owned factory in Indonesia and partially owned factory in Northern China. In December 2002, we elected to close our Indonesian facility. Production in our Indonesian facility represented approximately 15% of our products in fiscal 2003. We are arranging for additional production by independent manufacturers to replace the production that had been done at our Indonesian facility and believe that we will have sufficient independent production capability available to meet our requirements for fiscal 2004. Independent contractors located in the New York City area also manufacture a selected number of garments for us.

We have a branch office in Seoul, South Korea which acts as a liaison between us and various manufacturers located in China, South Korea and Indonesia that produce leather and woven garments for us. G-III's headquarters provides the liaison office with production orders stating the quantity, quality and types of garments to be produced, and this liaison office negotiates and places orders with one or more Chinese, South Korean or Indonesian manufacturers. In allocating production among independent suppliers, we consider a number of criteria, including quality, availability of production capacity, pricing and ability to meet changing production requirements. At January 31, 2003, the South Korean office employed 14 persons.

To facilitate better service for our textile and leather apparel customers and accommodate and control the volume of manufacturing in the Far East, we also have an office in Hong Kong. Similar to the South Korean office, the Hong Kong office acts as a liaison between G-III and the various manufacturers of textile and leather apparel located in Hong Kong and China. We utilize our domestic and Hong Kong office employees to monitor production at each manufacturer's facility to ensure quality control, compliance with our specifications and timely delivery of finished garments to our distribution facilities or customers. The Hong Kong office employed 6 persons as of January 31, 2003.

In connection with the foreign manufacture of our leather apparel, manufacturers purchase skins and necessary "submaterials" (such as linings, zippers, buttons and trimmings) according to parameters specified by us. Prior to commencing the manufacture of garments, samples of the skins and submaterials are sent to our South Korean liaison office and our New York offices for approval. Employees of the liaison office regularly inspect and supervise the

manufacture of products for us in order to ensure timely delivery, maintain quality control and monitor compliance with our manufacturing specifications. They also inspect finished apparel for us.

Because of the nature of leather skins, the manufacture of leather apparel is performed manually. A pattern is used in cutting hides to panels that are assembled in the factory. All submaterials are also added at this time. Products are inspected throughout this process to insure that the design and quality specifications of the order provided by us are being maintained as the garment is assembled. After pressing, cleaning and final inspection, the garment is labeled and hung awaiting shipment. A final random inspection occurs when the garments are packed for shipment.

We arrange for the production of apparel on a purchase order basis, with each order to a foreign manufacturer generally backed by an irrevocable international letter of credit. Substantially all letters of credit arranged by us require as a condition, among others, of release of funds to the manufacturer that an inspection certificate be signed by our representative. Accordingly, if an order is not filled, the letter of credit is not paid and we do not bear the risk of liability for the goods being manufactured. We assume the risk of loss on a F.O.B. basis when goods are delivered to a shipper and are insured against casualty losses arising during shipping.

We purchase skins for our partially-owned factory in China. We previously purchased skins for our Indonesian facility as well, but have ceased these purchases in connection with our closing of this facility. As a result, our inventory of raw skins is expected to significantly decrease. The demand for garment-type leather decreased in 2002 after increasing significantly over the prior two years. However, prices for this type of leather rose moderately in the past year. The supply of garment-type leather decreased as a result of the occurrence of mad-cow and foot-and-mouth disease in Europe in 2000 and 2001. The after effects of this disease resulted in a lower supply of leather skins in 2002 as well. We believe we and our independent manufacturers will be able to purchase a sufficient amount of leather skins to satisfy our production requirements in the fiscal year ending January 31, 2004.

As is customary in the leather industry, we have not entered into any long-term contractual arrangements with any contractor or manufacturer. We believe that the production capacity of foreign manufacturers with whom we have developed, or are developing, a relationship is adequate to meet our leather apparel production requirements for the foreseeable future. We believe that alternative foreign leather apparel manufacturers are readily available.

Our arrangements with textile manufacturers and suppliers are subject to the availability of quota and other requisite customs clearances for textile apparel and the imposition of export duties. United States customs duties on our textile apparel presently range from 5% to 30%, depending upon the type of fabric used and how the garment is constructed. We monitor duty, tariff and quota-related developments and seek to minimize our potential exposure to quota-related risks through, among other measures, geographical diversification of manufacturing sources and shifts of production among countries and manufacturers. Virtually all of our imported leather products are subject to United States Customs duties of approximately 6%.

A majority of all finished goods manufactured abroad for us are shipped to our New Jersey warehouse and distribution facility or to a designated third party facility for final

inspection and allocation and reshipment to customers. The goods are delivered to our customers and us by independent shippers, choosing the form of shipment (principally ship, truck or air) based upon a customer's needs, cost and time considerations.

MARKETING AND DISTRIBUTION

G-III's products are sold primarily to department, specialty and mass merchant retail stores in the United States. We sell to approximately 2,000 customers, ranging from national and regional chains of specialty retail and depart-ment stores, whose annual purchases from us exceed $1,000,000, to small specialty stores whose annual purchases from us are less than $1,000. Sales to the Sam's Club and Wal-Mart divisions of Wal-Mart Stores, Inc. accounted for an aggregate of 21.1% of our net sales in each of fiscal 2001 and fiscal 2002 and 21.0% of net sales in fiscal 2003. The loss of this customer, which primarily purchases non-licensed apparel, could have a material adverse affect on our non-licensed business segment, as well as on our results of operations as a whole. No other customer accounted for more than 8% of our net sales during any of these three fiscal years.

Almost all of our sales are made in the United States. We also market our products in Canada and Europe.

Along with our foreign offices, our trading company subsidiary, Global International Trading Company, located in Seoul, Korea, assists in providing services to our customers. This office manages a sample room and assists in the procurement of finished garments. As of January 31, 2003, Global International Trading employed 24 persons.

G-III's products are sold primarily through a direct employee sales force that consisted of 59 employees as of January 31, 2003. Our principal executives are also actively involved in sales of our products. A limited amount of our products are also sold by various retail buying offices located throughout the United States. Final authorization of all sales of products is solely through our New York showroom, enabling our management to deal directly with, and be readily accessible to, major customers, as well as to more effectively control our selling operations.

We primarily rely on our reputation and relationships to generate business in our non-licensed segment. We believe we have developed a significant customer following and positive reputation in the industry, as a result of, among other things, standards of quality control, on-time delivery, competitive pricing and willingness and ability to assist customers in their merchandising of our products. In addition, we have, to a limited extent, advertised our own labels and engaged in cooperative ad programs with retailers. We believe we have developed brand awareness of our own labels, despite the absence of general advertising, primarily through our reputation, consumer acceptance and the fashion press.

Brand name products sold by us pursuant to a license agreement are promoted by institutional and product advertisements placed by the licensor. Our license agreements generally provide that we are required to pay the licensor a fee, based on a percentage of net sales of licensed product, to pay for a portion of these advertising costs. We may also be required to spend a specified percentage of net sales of licensed product on advertising placed by us. Our license agreements generally provide that we must pay a royalty based on net sales of licensed products and that we must sell a specified minimum amount of licensed product each year in order to retain the license.

RAW MATERIALS

We purchase most products manufactured for us on a finished goods basis. Raw materials used in the production of our apparel are available from numerous sources. We are not aware of any manufacturer of our apparel not being able to satisfy its requirements for any required raw materials due to an inadequacy of supply.

The leather apparel industry competes with manufacturers of other leather products for the supply of leather. Leather skins are a byproduct. Accordingly, raw material costs are impacted by changes in meat consumption worldwide as well as by the popularity of leather products. For example, the occurrences of mad-cow and foot-and-mouth disease in Europe in 2000 and 2001 decreased the consumption of meat and the supply of leather. It also resulted in an increase in the price of leather skins in 2001. In 2002, the price of leather skins rose moderately.

LICENSING

The sale of licensed products is a key element of our strategy and we have significantly expanded our offerings of licensed products over the last several years. We have licenses to produce products under the Kenneth Cole New York and Reaction Kenneth Cole, Nine West, Cole Haan, Jones New York, JNY Jones New York, Sean John, Timberland, Bill Blass, Blassport, and James Dean fashion labels. We are also licensed to produce products containing trademarks of the National Football League, National Hockey League, National Basketball Association, Major League Baseball, Louisville Slugger and many universities located in the United States. During the coming year, we expect to expand our sales of vintage sports apparel with Cooperstown Collection baseball products and Hardwood Classics basketball products.

The following table sets forth for each of our principal licenses the date on which the current term ends and the date on which any potential renewal term ends:

LICENSE	DATE CURRENT TERM ENDS	DATE POTENTIAL RENEWAL TERM ENDS
Kenneth Cole NY/Reaction Kenneth Cole	December 31, 2004	December 31, 2007
Nine West	December 31, 2004	January 31, 2009
Cole Haan	December 31, 2007	None
Jones New York/JNY Jones New York	January 31, 2004	January 31, 2009
Sean John	January 31, 2005	January 31, 2007
Timberland	December 31, 2004	December 31, 2007
Bill Blass/Blassport	January 31, 2006	January 31, 2009
James Dean	December 31, 2003	December 31, 2006
National Football League	March 31, 2005	March 31, 2007
National Hockey League	June 30, 2005	June 30, 2006
National Basketball Association	September 30, 2003	None
Major League Baseball	December 31, 2003	None
Hardwood Classics	September 30, 2005	None
Cooperstown Collection	December 31, 2004	None

Our ability to extend the current term of a license agreement is usually subject to attaining minimum sales and/or royalty levels and to our compliance with all of the terms of the agreement. In addition, other criteria may also impact our ability to renew a license.

We continue to seek other opportunities to enter into license agreements in order to expand our product offerings under nationally recognized labels and broaden the markets that we serve. Revenues from the sale of licensed products accounted for 52.8% of net sales during fiscal 2003 compared to 42.7% of net sales in fiscal 2002 and 37.9% of net sales in fiscal 2001. We expect that the percentage of our revenues from the sale of licensed products will continue to increase in fiscal 2004.

SEASONALITY

Retail sales of outerwear apparel have traditionally been seasonal in nature. Although we sell our apparel products throughout the year, net sales in the months of July through November accounted for approximately 75% of our net sales in fiscal 2001, 74% of our net sales in fiscal 2002 and 76% of our net sales in fiscal 2003. The July through November time frame is expected to continue to provide a disproportionate amount of our net sales.

BACKLOG

A significant portion of our orders are short-term purchase orders from customers who place orders on an as-needed basis. The amount of unfilled orders at any time has not been indicative of future sales. Information relative to open purchase orders at any date may also be materially affected by, among other things, the timing of the initial showing of apparel to the trade, as well as by the timing of recording of orders and shipments. As a result, we do not believe that the amount of our unfilled customer orders at any time is meaningful.

TRADEMARKS

Several trademarks owned by us have been granted federal trademark protection through registration with the U.S. Patent and Trademark Office, including G-III, G-III (& Design), J.L. Colebrook, JLC, Colebrook & Co., Sienna, Trouble Wanted (& Design), 58 Sports (& Design), and Ladies First by G-III/Carl Banks. We have applications for several additional marks pending before the U.S. Patent and Trademark Office.

We have been granted trademark registration for G-III in France, Canada, Mexico, and the European Union, for J.L. Colebrook in Canada, Mexico, France, Great Britain, and the European Union, and for J.L.C. (& Design) and JLC (& Design) in Canada. We also have one application pending in Canada.

Although we regard our trademarks as valuable assets and intend to vigorously enforce our trademark rights, we do not believe that any failure to obtain federal trademark registrations for which we have applied would have a material adverse effect on us.

COMPETITION AND OTHER RISKS

The apparel business is highly competitive. We have numerous competitors with respect to the sale of leather and textile apparel, including distributors that import leather apparel from abroad and domestic retailers with established foreign manufacturing capabilities. Sales of our products are affected by style, price, quality and general fashion trends. We also compete with vertically integrated apparel manufacturers that also own retail stores. In addition, we compete for supplies of raw materials and manufacturing and tanning capacity.

Our ability to successfully compete depends on a number of factors, including our ability to effectively anticipate, gauge and respond to changing consumer demands and tastes, to translate market trends into attractive product offerings and operate within substantial production and delivery constraints. We cannot be sure we will be successful in this regard.

We are dependent on sales of licensed product for a substantial portion of our revenues. In fiscal 2003, revenues from the sale of licensed product accounted for 52.8% of our net sales compared to 42.7% of our net sales in fiscal 2002 and 37.9% of our net sales in fiscal 2001. We expect that the percentage of our revenues represented by sales of licensed product will continue to increase in fiscal 2004.

We are generally required to achieve specified minimum net sales, pay specified royalties and advertising payments and receive prior approval of the licensor as to all elements of a garment prior to production. If we do not satisfy any of these requirements, a licensor usually will have the right to terminate our license. If a license contains a renewal provision, there are usually minimum sales and other conditions that must be met in order to be able to renew a license. Even if we comply with all the terms of a licensing agreement, we cannot be sure that we will be able to renew an agreement when it expires even if we desire to do so.

We often produce garments to hold in inventory in order to meet our customers' delivery requirements and to be able to quickly fulfill reorders. If we misjudge the market for our products, we may be faced with significant excess inventories for some products and missed opportunities with others. In addition, weak sales and resulting markdown requests from

customers could have a material adverse effect on our business, results of operations and financial condition. For example, the tragic events of September 11, 2001 and the unusually warm weather during that fall/winter season aggravated a retail environment that had already begun to slow down due to the economic downturn in the United States. Retailers responded to this environment with increased promotional activity which required us to grant greater allowances and discounts in order to sell our products. These factors had a material adverse effect on our net sales and gross profit for the fiscal year ended January 31, 2002.

The apparel industry is cyclical. Purchases of outerwear and other apparel tend to decline during recessionary periods and sales of our products may decline at other times as well for a variety of reasons, including changes in fashion trends and the introduction of new products or pricing changes by our competitors. Uncertainties regarding future economic prospects could affect consumer-spending habits and have an adverse effect on our results of operations. Uncertainty with respect to consumer spending as a result of weak economic conditions during fiscal 2002 and 2003 caused our customers to delay the placing of initial orders and to slow the pace of reorders during the seasonal peak of our business. This had a material adverse effect on our results of operations.

We are dependent on Morris Goldfarb and other key personnel. The loss of the services of Mr. Goldfarb and any negative market or industry perception arising from the loss of his services could have a material adverse effect on us and the price of our shares. Our other executive officers have substantial experience and expertise in our business and have made significant contributions to our success. The unexpected loss of services of one or more of these individuals could adversely affect us.

Our arrangements with foreign manufacturers are subject to the usual risks of doing business abroad, including currency fluctuations, political instability and potential import restrictions, duties and tariffs. Currently, we do not maintain insurance for the potential lost profits due to disruptions of our overseas factories. Indonesia has experienced significant currency devaluation and political instability and South Korea has also experienced currency devaluation and political unrest. Because our products are produced abroad, political and/or economic instability in China, South Korea, Indonesia or elsewhere, any substantial disruption in the business of foreign manufacturers or our relationships with these manufacturers could materially adversely affect our financial condition and results of operations. In December 2002, we decided to close our manufacturing facility in Indonesia due to rapidly rising costs and losses associated with this facility, as well as the political and economic instability in Indonesia. Our results of operations for the fourth quarter and fiscal year ended January 31, 2003 reflect pre-tax charges of $4.1 million in connection with closing this facility.

A substantial majority of our products in fiscal 2004 will be imported from independent foreign manufacturers. Our dependence on independent manufacturers has increased as a result of the closing of our Indonesian manufacturing facility. The failure of these manufacturers to ship products to us in a timely manner or to meet required quality standards could cause us to miss the delivery date requirements of our customers. The failure to make timely deliveries could cause customers to cancel orders, refuse to accept delivery of product or demand reduced prices, any of which could have a material adverse effect on our business. We are also dependent on these manufacturers for compliance with our policies and the policies of our licensors and customers regarding labor practices. In addition, since we negotiate our purchase orders with foreign manufacturers in United States dollars, if the value of the United

States dollar against local currencies were to go down, these manufacturers might increase the United States dollar prices charged to us for products.

Legislation that would restrict the importation or increase the cost of textiles and apparel produced abroad has been periodically introduced in Congress. The enactment of new legislation or international trade regulation, or executive action affecting international textile or trade agreements, could adversely affect our business.

The continued growth of our business depends on our access to sufficient funds to support our growth. Our primary source of working capital to support our growth is our existing line of credit. We have had this line of credit for over ten years and have been able to increase the maximum availability under this line several times in the past few years. This line of credit expires on May 31, 2005. Our growth is dependent on our ability to continue to extend and increase this line of credit. If we are unable to do so, we cannot be sure we will be able to secure alternative financing on satisfactory terms.

Fluctuations in the price, availability and quality of leather or other raw materials used by us could have a material adverse effect on our cost of goods sold and ability to meet customer demands. The outbreak of mad-cow and foot-and-mouth disease in Europe decreased the supply of leather skins in 2000 and 2001. The after effects of this disease resulted in a lower supply of leather skins in 2002 as well.

In addition to the factors described above, our business, including our revenues and profitability, is influenced by and subject to a number of factors that are inherently uncertain and difficult to predict including, among others: the variability of our results in any period due to the seasonal nature of the business; risks associated with consolidations, restructurings and other ownership changes in the retail industry; changes in regional, national and global economic conditions; and our ability to correctly balance the level of our finished goods, leather and other raw material commitments with actual orders.

As of March 31, 2003, Morris Goldfarb and Aron Goldfarb beneficially own an aggregate of approximately 52% of our outstanding common stock. As a result, they effectively have the ability to control the outcome on all matters requiring stockholder approval including, but not limited to, the election of directors and any merger, consolidation or sale of all or substantially all of our assets. They also have the ability to control our management and affairs.

EMPLOYEES

As of January 31, 2003, we had 302 full-time employees, of whom 67 worked in executive, administrative or clerical capacities, 90 worked in design and manufacturing, 84 worked in warehouse facilities, 59 worked in sales and 2 worked in our retail outlet store. We employ both union and non-union personnel and believe that our relations with our employees are good. We have not experienced any interruption of any of our operations due to a labor disagreement with our employees.

We are a party to an agreement with the Amalgamated Clothing and Textile Workers Union, covering approximately 62 full-time employees as of January 31, 2003. This agreement, which is currently in effect through October 31, 2005, automatically renews on an annual basis thereafter unless terminated by us or the Union prior to September 1 of that year.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information with respect to our executive officers and significant employees.

NAME	AGE	POSITION	EXECUTIVE OFFICER OR SIGNIFICANT EMPLOYEE SINCE
Morris Goldfarb	52	Co-Chairman of the Board, Chief Executive Officer, Director	1974
Jeanette Nostra-Katz	50	President	1981
Wayne S. Miller	45	Senior Vice President, Chief Financial Officer, Treasurer and Secretary	1998
Frances Boller-Krakauer	37	Vice President -- Men's Division of G-III Leather Fashions	1993
Deborah Gaertner	48	Vice President -- Women's Sales Division of G-III Leather Fashions	1989
Keith Sutton Jones	54	Vice President -- Foreign Manufacturing of G-III Leather Fashions	1989
Philip H. Litwinoff	53	Vice President and Corporate Controller	2001

Morris Goldfarb is our Co-Chairman of the Board and Chief Executive, as well as one of our directors. Until April 1997, Mr. Goldfarb also served as our President. He has served as either President or Vice President of our wholly owned subsidiary, G-III Leather Fashions, Inc., since its formation in 1974. Mr. Goldfarb is responsible for foreign manufacturing, marketing, merchandising and finance. He also has overall responsibility for developing selling programs, customer relations and administration. Mr. Goldfarb is also a director of Lakes Gaming, Inc.

Jeanette Nostra-Katz became our President in April 1997. She had been our Executive Vice President since March 1992. Ms. Nostra-Katz's responsibilities for the Company include sales, marketing, public relations, and operations as they relate to sales. Since August 1989, she has served as an Executive Vice President of Siena. We have employed Ms. Nostra-Katz since 1981.

Wayne S. Miller has been our Chief Financial Officer and Senior Vice President since April 1998. In November 1998, Mr. Miller was also elected Secretary and Treasurer. Mr. Miller served as a consultant to Marketing Management Group from September 1997 to April 1998.

Frances Boller-Krakauer is the Vice President -- Men's Division of G-III Leather Fashions and has held this position since February 1993. Ms. Boller-Krakauer's responsibilities include sales and merchandising for all men's products lines. Prior to February 1993, she held various sales positions in the Men's Division. Ms. Boller-Krakauer joined us in March 1989.

Deborah Gaertner is the Vice President -- Women's Non-Branded Sales of G-III Leather Fashions and has held this position since March 1992. Ms. Gaertner is responsible for sales and marketing of our women's non-licensed apparel lines. She previously served as Vice President, Imports from June 1989 until March 1992, coordinating production and merchandising.

Keith Sutton Jones is the Vice President -- Foreign Manufacturing of G-III Leather Fashions and has been employed in this capacity since January 1989. His responsibilities include coordinating and controlling all aspects of our Far Eastern sourcing and production.

Philip H. Litwinoff has been our Vice President and Corporate Controller since April 2001. He had previously served as our Controller since November 1995.

Aron Goldfarb, one of our directors, and Morris Goldfarb are father and son, respectively. Carl Katz, one of our directors, and Jeanette Nostra-Katz are married to each other.

ITEM 2. PROPERTIES

Our executive offices, sales showrooms and support staff are located at 512 Seventh Avenue, which is one of the leading outerwear apparel buildings in New York City. We lease an aggregate of approximately 42,500 square feet in this building through March 31, 2011 at a current aggregate annual rent of approximately $1.2 million.

Our warehouse and distribution facility, located in Secaucus, New Jersey, contains approximately 107,000 square feet, plus a 3,000 square foot retail outlet store. This facility is leased through February 2005 at an annual rent increasing to $643,000. The lease provides for one optional renewal term of five years with a rental for the renewal term based on market rates. A majority of our finished goods are shipped to the New Jersey distribution facilities for final reshipment to customers.

We maintain off-site storage at 345 West 37th Street in New York City. This property was leased pursuant to a sublease from a corporation owned by Morris Goldfarb and Aron Goldfarb for which we paid monthly rent, plus real estate taxes. For fiscal 2003, the total payments for this building were approximately $239,000 and for fiscal 2002, the total payments for this building were approximately $295,000. We sublet a portion of the 345 West 37th Street building to different tenants. The sublease terms ended in February 2003. The aggregate annual rental paid to us under these subleases was approximately $190,000. Effective February 1, 2003, we lease one floor in this building, as well as parking spaces and a billboard on top of the building. Our aggregate monthly rental in fiscal 2004 is expected to be approximately $14,000 per month.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET FOR COMMON STOCK

Our Common Stock is quoted on the Nasdaq Stock Market under the trading symbol "GIII". The following table sets forth, for the fiscal periods shown, the high and low sales prices for our Common Stock, as reported by the Nasdaq Stock Market.

FISCAL 2002	HIGH PRICES	LOW PRICES
Fiscal Quarter ended April 30, 2001	$ 8.94	$ 6.50
Fiscal Quarter ended July 31, 2001	10.40	7.25
Fiscal Quarter ended October 31, 2001	10.30	5.80
Fiscal Quarter ended January 31, 2002	7.34	4.75

FISCAL 2003		
Fiscal Quarter ended April 30, 2002	$ 8.33	$ 6.25
Fiscal Quarter ended July 31, 2002	$ 8.49	$ 5.81
Fiscal Quarter ended October 31, 2002	$ 7.75	$ 4.49
Fiscal Quarter ended January 31, 2003	$ 7.89	$ 4.91

FISCAL 2004		
Fiscal Quarter ending April 30, 2003 (through March 31, 2003)	$ 6.50	$ 4.62

The last sales price of our Common Stock as reported by the Nasdaq Stock Market on March 31, 2003 was $6.05 per share.

On April 15, 2003, there were 64 holders of record and, we believe, approximately 2,000 beneficial owners of our Common Stock.

DIVIDEND POLICY

Our Board of Directors currently intends to follow a policy of retaining any earnings to finance the continued growth and development of our business and does not anticipate paying cash dividends in the foreseeable future. Any future determination as to the payment of cash dividends will be dependent upon our financial condition, results of operations and other factors deemed relevant by the Board. Our loan agreement prohibits the payment of cash dividends without the consent of the lenders. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources" in Item 7 below.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data set forth below as of and for the years ended January 31, 1999, 2000, 2001, 2002 and 2003 have been derived from our audited consolidated financial statements. Our audited financial statements as of January 31, 1999, 2000, and 2001 and for the years ended January 31, 1999 and 2000 are not included in this filing. The selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" (Item 7 of this Report) and the audited consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K.

(In thousands, except share and per share data)

	YEAR ENDED JANUARY 31, (1)				
	1999	2000	2001	2002	2003
INCOME STATEMENT DATA:					
Net sales	$ 121,644	$ 149,632	$ 187,057	$ 201,426	$ 202,651
Cost of goods sold	95,393	110,710	136,099	158,160	153,367
Gross profit	26,251	38,922	50,958	43,266	49,284
Selling, general & administrative expenses	27,698	28,145	29,860	35,814	41,551
Unusual or non-recurring charge	(463)	1,200	(643)	--	3,556
Operating profit (loss)	(984)	9,577	21,741	7,452	4,177
Interest and financing charges, net	2,115	1,857	2,839	3,577	1,907
Income (loss) before minority interest and income taxes	(3,099)	7,720	18,902	3,875	2,270
Minority interest of joint venture	1,378	1,994	(312)	--	--
Income (loss) before income taxes	(1,721)	9,714	18,590	3,875	2,270
Income taxes (benefit)	(541)	3,934	7,436	1,511	1,888
Net income (loss)	$ (1,180)	$ 5,780	$ 11,154	$ 2,364	$ 382
Basic earnings (loss) per share	$ (0.18)	$ 0.86	$ 1.70	$ 0.35	$ 0.06
Weighted average shares outstanding -- basic	6,539,128	6,712,051	6,561,537	6,676,270	6,764,398
Diluted earnings (loss) per share	$ (0.18)	$ 0.84	$ 1.57	$ 0.32	$ 0.05
Weighted average shares					

outstanding -- diluted	6,539,128	6,848,433	7,120,986	7,373,723	7,346,925

	AS OF JANUARY 31, (1)				
	1999	2000	2001	2002	2003
BALANCE SHEET DATA:					
Working capital	$27,277	$31,066	$41,931	$46,140	$47,260
Total assets	44,870	59,601	71,952	67,701	70,956
Short-term debt	2,893	3,427	1,580	906	885
Long-term debt, excluding current portion	180	64	0	203	88
Total stockholders' equity	35,615	40,944	52,142	54,813	55,748

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(1) Certain amounts have been reclassified to conform to the fiscal 2003 presentation.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Statements in this Annual Report on Form 10-K concerning our business outlook or future economic performance; anticipated revenues, expenses or other financial items; product introductions and plans and objectives related thereto; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters, are "forward-looking statements" as that term is defined under the Federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from those stated in such statements. Such risks, uncertainties and factors include, but are not limited to, reliance on foreign manufacturers, risks of doing business abroad, the nature of the apparel industry, including changing consumer demand and tastes, reliance on licensed product, seasonality, customer acceptance of new products, the impact of competitive products and pricing, dependence on existing management, general economic conditions, as well as other risks detailed in our filings with the Securities and Exchange Commission, including this Annual Report on Form 10-K.

The following presentation of management's discussion and analysis of our financial condition and results of operations should be read in conjunction with our Financial Statements, the accompanying notes and other financial information appearing elsewhere in this Report.

References to fiscal years refer to the year ended or ending January 31 of that year.

USE OF ESTIMATES AND CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the period. Significant accounting policies employed by us, including the use of estimates, are presented in the Notes to Consolidated Financial Statements.

Critical accounting policies are those that are most important to the portrayal of our financial condition and the results of operations, and require management's most difficult, subjective and complex judgments, as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our most critical accounting policies, discussed below, pertain to revenue recognition, accounts receivable, inventories and income taxes. In applying these policies, management must use some amounts that are based upon its informed judgments and best estimates. On an on-going basis, we evaluate our estimates, including those related to customer allowances and discounts, product returns, bad debts and inventories. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Revenue Recognition

We recognize a sale at the time merchandise is shipped. We also act as an agent in brokering sales between our customers and overseas factories. On these transactions, we recognize commission fee income on the sales that are financed by and shipped directly to our customers. This income is also recorded at the time the merchandise is shipped. Net sales take into account reserves for returns and allowances which are based on current and historical information and trends. Sales are reported net of returns, discounts and allowances. Discounts, allowances and estimates of future returns are recognized when the related revenues are recognized.

Accounts Receivable

In the normal course of business, we extend credit to our customers based on pre-defined credit criteria. Accounts receivable, as shown on our consolidated balance sheet, are net of allowances and anticipated discounts. In circumstances where we are aware of a specific customer's inability to meet its financial obligation (such as in the case of bankruptcy filings or substantial downgrading of credit sources), a specific reserve for bad debts is recorded against amounts due to reduce the net recognized receivable to the amount reasonably expected to be collected. For all other customers, an allowance for doubtful accounts is determined through analysis of the aging of accounts receivable at the date of the financial statements, assessments of collectability based on historical trends and an evaluation of the impact of economic conditions. An allowance for discounts is based on reviews of open invoices where concessions have been extended to customers. Costs associated with allowable deductions for customer advertising expenses are charged to advertising expenses in the selling, general and administrative section of the Statements of Income. Costs associated with markdowns and other operational charge backs, net of historical recoveries, are included as a reduction of net sales. All of these are part of the allowances included in accounts receivable. We reserve against known charge backs, as well as for an estimate of potential future customer deductions. These provisions result from divisional seasonal negotiations, as well as historical deduction trends, net of historical recoveries and the evaluation of current market conditions.

Inventories

Inventories are stated at lower of cost (using the first-in, first-out method) or market. We continually evaluate the composition of our inventories, assessing slow-turning, ongoing product as well as fashion product from prior seasons. Market value of distressed inventory is valued based on historical sales trends of our individual product lines, the impact of market trends and economic conditions, and the value of current orders relating to the future sales of this type of inventory.

Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax exposure, together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet.

RESULTS OF OPERATIONS

The following table sets forth selected operating data as a percentage of our net sales for the fiscal years indicated below:

	2001	2002	2003
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	72.8	78.5	75.7
Gross profit	27.2	21.5	24.3
Selling, general and administrative expenses	15.9	17.8	20.5
Unusual or non-recurring charge	(0.3)	--	1.8
Operating profit	11.6	3.7	2.0
Interest and financing charges, net	1.5	1.8	0.9
Income before minority interest and income taxes	10.1	1.9	1.1
Minority interest in income of joint venture	(0.2)	--	--
Income before income taxes	9.9	1.9	1.1
Income taxes	3.9	0.7	0.9
Net income	6.0%	1.2%	0.2%

General

We operate our business in two segments, non-licensed apparel and licensed apparel. The non-licensed apparel segment includes sales of apparel under our own brands and private label brands, as well as commission fee income received on sales that are financed by and shipped directly to our customers. The licensed apparel segment includes sales of apparel brands licensed by us from third parties. See Note M to our Consolidated Financial Statements for financial information with respect to these segments.

In December 2002, due to rapidly rising costs and losses associated with our Indonesian facility, as well as the political and economic instability in Indonesia, we decided to close our factory in Indonesia. The loss from the factory's operations prior to the closedown and the charge taken in connection with the closing of our facility had a negative effect on our results of operations for Fiscal 2003. The results for the fiscal quarter and year ended January 31, 2003, include charges aggregating $4.1 million ($3.4 million on an after-tax basis) in connection with this closedown. In our income statement, $3.6 million of these charges is included in "Unusual or non-recurring charges" and $554,000 of these charges is included in "Cost of goods sold."

The tragic events of September 11, 2001 aggravated a retail environment that had already begun to slow down due to the economic downturn in the United States. The resulting uncertainty with respect to consumer spending caused our customers to slow the pace of reorders during what is the seasonal peak of our business. Retailers responded to this environment with increased promotional activity which required us to grant greater allowances and discounts in order to sell our products. These factors, as well as the unseasonably warm weather that continued throughout the fall and winter seasons had a negative effect on our results of operations for fiscal 2002.

During fiscal 2000, together with Black Entertainment Television ("BET"), our joint venture partner, we decided to discontinue the BET Design Studio joint venture. We had originally entered into the joint venture with BET in April 1997. We owned 50.1% of this joint venture and, accordingly, its entire results of operations were consolidated with our results of operations. The interest of BET in the joint venture was reflected in the "Minority Interest" line item in our financial statements. The joint venture company was dissolved effective January 31, 2001 and our financial statements for fiscal 2001 include a $322,000 credit (net of minority interest) representing a reversal of the remainder of a charge taken in fiscal 2000 following the disposition of the remaining assets and liabilities of this joint venture.

Year ended January 31, 2003 ("fiscal 2003") compared
to year ended January 31, 2002 ("fiscal 2002")

Net sales were $202.7 million in fiscal 2003 compared to $201.4 million in fiscal 2002. Net sales of licensed apparel increased to $106.9 million in fiscal 2003 from $86.0 million in fiscal 2002. Sales of licensed apparel constituted 52.8% of our net sales in fiscal 2003 compared to 42.7% of our net sales in fiscal 2002. The increase in sales of licensed apparel was primarily attributable to our sports apparel business and, to a lesser extent, to the addition of a new license for Sean John apparel. Net sales of non-licensed apparel decreased to $95.7 million in fiscal 2003 from $115.4 million in fiscal 2002. The decrease in sales of non-licensed apparel was primarily due to a decrease in sales of women's leather apparel.

Gross profit increased to $49.3 million in fiscal 2003 from $43.3 million in fiscal 2002. Commission fee income, for which there is no related cost of goods sold, was $3.3 million in fiscal 2003 compared to $3.2 million in fiscal 2002. As a percentage of net sales, gross profit increased to 24.3% in fiscal 2003 compared to 21.5% in fiscal 2002.

Gross profit for licensed apparel was $28.4 million in fiscal 2003, or 26.6% of net sales of licensed apparel, compared to $20.5 million in fiscal 2002, or 23.8% of net sales of licensed apparel. The increase in the gross profit margin percentage for licensed apparel was due to better inventory management and sales of regular priced merchandise constituting a higher proportion of goods sold. Gross profit for non-licensed apparel was $20.9 million in fiscal 2003, or 21.8% of net sales of non-licensed apparel, compared to $22.8 million in fiscal 2002, or 19.7% of net sales of non-licensed apparel. The decrease in gross profit for non-licensed apparel was primarily a result of losses at the Indonesian facility prior to its closedown, and the portion ($554,000) of the aggregate charges relating to the closedown of the Indonesian subsidiary that was included in cost of goods sold. The increase in gross profit percentage for non-licensed apparel was due to the comparable level of commission fee income in fiscal 2003 compared to fiscal 2002 while net sales of non-licensed apparel decreased.

Selling, general and administrative expenses increased to $41.6 million, or 20.5% of net sales, in fiscal 2003 from $35.8 million, or 17.8% of net sales, in fiscal 2002. These increases resulted primarily from increases in third party shipping costs ($1.5 million), expenses ($1.2 million) relating to the addition of our Sean John license, advertising expenses ($1.0 million) and the bad debt provision ($700,000). We expect that selling, general and administrative expenses will continue to increase in fiscal 2004 due to the new licenses entered into in the second half of fiscal 2003 that will require overhead investments during fiscal 2004.

The non-recurring charge represents costs relating to the closedown of our manufacturing facility in Indonesia. In December 2002, due to rapidly rising costs and losses

associated with this facility, as well as the political and economic instability in Indonesia, we decided to close our factory in Indonesia. The loss from the factory's operations prior to the closedown and the charge taken in connection with the closing of our facility had a negative effect on our results of operations for fiscal 2003. The components of this charge include severance ($2,050,000), operating expenses of the subsidiary subsequent to the announcement of the closing ($686,000), write-off of property, plant and equipment ($385,000), and professional services incurred in closing the factory ($435,000).

Interest expense was $1.9 million in fiscal 2003 compared to $3.6 million in fiscal 2002. The decrease in interest expense resulted primarily from lower borrowings due to lower inventory levels, as well as due to lower interest rates.

As a result of the foregoing, we had income before income taxes of $2.3 million in fiscal 2003 compared to income before income taxes of $3.9 million in fiscal 2002.

Income taxes were $1.9 million in fiscal 2003 compared to $1.5 million in fiscal 2002. Our effective tax rate for fiscal 2003 was 83.2% compared to 39.0% in fiscal 2002. The tax rate in fiscal 2003 was adversely affected by certain expenses relating to the closedown of the Indonesian subsidiary that we have not taken benefit for tax purposes. The tax rate in fiscal 2002 included benefits from the implementation of a strategic tax plan which reduced our effective state income tax rate.

We had net income of $382,000, or $0.05 per share on a diluted basis, in fiscal 2003 compared to net income of $2.4 million, or $0.32 per share on a diluted basis, in fiscal 2002.

Year ended January 31, 2002 ("fiscal 2002") compared
to year ended January 31, 2001 ("fiscal 2001")

Net sales increased to $201.4 million in fiscal 2002 from $187.1 million in fiscal 2001. Net sales increased as a result of increased sales of licensed apparel. Net sales of licensed apparel increased by 21.3% to $86.0 million in fiscal 2002 from $70.9 million in fiscal 2001. Net sales of non-licensed apparel were $115.4 million in fiscal 2002 compared to $116.2 million in fiscal 2001. Sales of licensed apparel constituted 42.7% of our net sales in fiscal 2002 compared to 37.9% of our net sales in fiscal 2001. The increase in sales of licensed apparel was primarily attributable to the addition of our license with Jones New York to produce and sell women's wool outerwear under the Jones New York and JNY Jones New York labels.

Gross profit decreased to $43.3 million in fiscal 2002 from $51.0 million in fiscal 2001. Commission fee income, for which there is no related cost of goods sold, was $3.2 million in fiscal 2002 compared to $6.2 million in fiscal 2001. As a percentage of net sales, gross profit was 21.5% in fiscal 2002 compared to 27.2% in fiscal 2001.

Gross profit for licensed apparel was $20.5 million in fiscal 2002, or 23.8% of net sales of licensed apparel, compared to $21.1 million in fiscal 2001, or 29.8% of net sales of licensed apparel. Gross profit for non-licensed apparel was $22.8 million in fiscal 2002, or 19.7% of net sales of non-licensed apparel, compared to $29.8 million in fiscal 2001, or 25.7% of net sales of non-licensed apparel. The decrease in the gross profit margin percentage for non-licensed apparel was partly attributable to commission fee income that was $3.0 million lower in fiscal 2002. The gross profit margin percentages for both licensed and non-licensed apparel were also negatively impacted by an increase in our inventory reserve reflecting the effect of excess unsold inventory ($1.5 million for non-licensed and $500,000 for licensed apparel). In

addition, the gross profit percentages for both licensed and non-licensed apparel were negatively impacted by higher allowances and discounts necessary to sell products into the sluggish retail market.

Selling, general and administrative expenses increased to $35.8 million, or 17.8% of net sales, in fiscal 2002 from $29.9 million, or 15.9% of net sales, in fiscal 2001. These increases resulted primarily from increased advertising expenses ($1.3 million), salary expenses ($949,000), facilities expenses ($685,000), and expenses ($3.5 million) relating to the start-up of the Cole Haan, Sean John, and Jones New York divisions. To reduce our expenses, we terminated 15 employees in October 2001, with expected annualized cost savings of approximately $1.1 million. We do, however, expect that selling, general and administrative expenses will continue to increase in fiscal 2003 as several of our new divisions that operated for only part of fiscal 2002 will be in operation for all of fiscal 2003.

Interest expense was $3.6 million in fiscal 2002 compared to $2.8 million in fiscal 2001. The increase in interest expense resulted primarily from increased borrowings to support higher inventory investments, partially offset by lower interest rates.

As a result of the foregoing, we had income before income taxes of $3.9 million in fiscal 2002 compared to income before income taxes of $18.6 million in fiscal 2001.

Income taxes were $1.5 million in fiscal 2002 compared to $7.4 million in fiscal 2001. Our effective tax rate for fiscal 2002 was 39.0% compared to 40.0% in fiscal 2001. The tax rate in fiscal 2002 benefited from the implementation of a strategic tax plan which reduced our effective state income tax rate. The tax rate in fiscal 2001 included benefits from remaining net operating loss carry forwards for state income tax purposes.

We had net income of $2.4 million, or $0.32 per share on a diluted basis, in fiscal 2002 compared to net income of $11.2 million, or $1.57 per share on a diluted basis, in fiscal 2001.

LIQUIDITY AND CAPITAL RESOURCES

Our loan agreement, which expires on May 31, 2005, is a collateralized working capital line of credit with six banks that provides for an aggregate maximum line of credit in amounts that range from $45 million to $90 million at specific times during the year. The line of credit provides for maximum direct borrowings ranging from $40 million to $72 million during the year. The balance of the credit line may be used for letters of credit. All amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement.

Direct borrowings under the line of credit bear interest at our option at either the prevailing prime rate (4.25% at April 1, 2002) or LIBOR plus 225 basis points (3.53% at April 1, 2003). The loan agreement requires us, among other covenants, to maintain specified earnings and tangible net worth levels, and prohibits the payment of cash dividends. We were not in compliance with the covenant relating to earnings before interest, taxes, depreciation and amortization ("EBITDA") for the fiscal year ended January 31, 2003. On March 18, 2003, we received a waiver from our lenders relating to these covenants.

The amount borrowed under the line of credit varies based on our seasonal requirements. The maximum amount outstanding (i.e., open letters of credit, bankers acceptances and direct borrowings) under our loan agreement was approximately $68.0 million

during fiscal 2001, $82.5 million during fiscal 2002, and $80.1 million during fiscal 2003. As of January 31, 2003, there were no direct borrowings, no banker's acceptances and $3.7 million of contingent liability under open letters of credit. As of January 31, 2002, there were no direct borrowings, no bankers' acceptances and $2.6 million of contin-gent liability under open letters of credit.

PT Balihides, our Indonesian subsidiary, has a separate credit facility with an Indonesian bank. The notes payable under this facility represent maximum borrowings as of January 31, 2003 of approximately $770,000. The loan is secured by the property, plant, and equipment of this subsidiary.

We had $1.9 million of cash provided in our operating activities in fiscal 2003 resulting primarily because of a decrease of $6.2 million in inventories, $1.9 million of accounts payable and accrued expenses, $1.5 million in non-cash depreciation and amortization expense, $268,000 from the write-off of the Indonesian property plant and equipment, $902,000 of prepaid assets, and $581,000 in income taxes payable, offset by an increase of $9.2 million in accounts receivable. We used $3.8 million of cash in our operating activities in fiscal 2002 resulting primarily because our net income of $2.4 million and a decrease of $5.3 million in inventories was more than offset by a decrease of $5.2 million in accounts payable and accrued expenses, an increase of $2.6 million in accounts receivable and an increase of $2.4 million in the deferred income tax benefit. We had $2.2 million of cash provided by operating activities in fiscal 2001 resulting primarily from net income of $11.2 million, a decrease of $5.4 million in accounts receivable and an increase of $3.7 million in accounts payable and accrued expenses that were partially offset by an increase of $19.0 million in inventories. In addition, our purchase of certain assets of Gloria Gay Coats, LLC in January 2001 included $2.3 million of inventory. Our inventories increased in fiscal 2001 primarily due to an increase in raw materials inventory as a result of purchases of leather skins to meet sales volumes that were anticipated to be higher in fiscal 2002.

We utilized $1.2 million of cash in investing activities during fiscal 2003 to pay an earn-out of $720,000 in connection with the acquisition of certain assets of Gloria Gay, and $443,000 of capital expenditures. We utilized $2.7 million of cash in investing activities during fiscal 2002 primarily to pay an earn-out of $1.5 million in connection with the acquisition of certain assets of Gloria Gay and for capital expenditures of $1.2 million. We utilized $4.2 million of cash in investing activities during fiscal 2001 in connection with the purchase of certain assets of Gloria Gay primarily for $3.4 million (including $2.3 million of inventory) and $852,000 for capital expenditures. Historically, our business has not required significant capital expenditures. Capital expenditures were used primarily for new computer software, additional computer upgrades, leasehold improvements, and furniture, fixtures and equipment.

We had $249,000 of cash provided by financing activities in fiscal 2003 primarily due to $385,000 received in connection with the exercise of stock options, partially offset by $106,000 in payments of capital lease obligations. We used $323,000 of cash in during fiscal 2002 primarily due to a $700,000 decrease in notes payable offset in part by a net increase of $229,000 in capital lease obligations and $148,000 received from the exercise of stock options. We used $3.5 million of cash during fiscal 2001 in financing activities primarily due to a $1.8 million decrease in notes payable and a $1.3 million investment in a joint venture, offset in part by the receipt of $241,000 from the exercise of stock options. We also used $540,000 in fiscal 2001 to purchase shares of our common stock on the open market.

We believe that our cash on hand and cash generated by operations, together with the funds available under our loan agreement, will be sufficient to meet our capital and operating requirements through fiscal 2004.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

IMPACT OF INFLATION AND FOREIGN EXCHANGE

Our results of operations for the periods discussed have not been significantly affected by inflation or foreign currency fluctuation. We negotiate our purchase orders with foreign manufacturers in United States dollars. Thus, notwithstanding any fluctuation in foreign currencies, our cost for any purchase order is not subject to change after the time the order is placed. However, if the value of the United States dollar against local currencies were to decrease, manufacturers might increase their United States dollar prices for products.

INTEREST RATE EXPOSURE

We are subject to market risk from exposure to changes in interest rates relating primarily to our line of credit. We borrow under the line of credit to support general corporate purposes, including capital expenditures and working capital needs. All of our debt is short-term with variable rates. We do not expect changes in interest rates to have a material adverse effect on income or cash flows in fiscal 2004.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial statements and supplementary data required pursuant to this Item begin on page F-1 of this Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND

FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information contained under the heading "Proposal No. 1 -- Election of Directors" in our definitive Proxy Statement (the "Proxy Statement") relating to our Annual Meeting of Stockholders to be held on or about June 12, 2002, to be filed pursuant to Regulation 14A of the Securities Exchange Act of 1934 with the Securities and Exchange Commission is incorporated herein by reference. For information concerning our executive officers and other significant employees, see "Business-Executive Officers of the Registrant" in Item 1 above of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information contained under the heading "Executive Compensation" in our Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information contained under the heading "Security Ownership of Common Stock by Certain Stockholders and Management" in our Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information contained under the heading "Certain Relationships and Related Transactions" in our Proxy Statement is incorporated herein by reference.

ITEM 14. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report, the Company's management, including the Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in alerting them to material information, on a timely basis, required to be included in the Company's periodic SEC filings. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company's management carried out its evaluation.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements.

2. Financial Statement Schedules.

The Financial Statements and Financial Statement Schedules are listed in the accompanying index to financial statements beginning on page F-1 of this report. All other schedules, for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions, are shown in the financial statements or are not applicable and therefore have been omitted.

3. Exhibits:

3.1	Certificate of Incorporation.(1)
3.2	By-Laws, as amended, of G-III Apparel Group, Ltd. (the "Company").(6)
10.1	Employment Agreement, dated February 1, 1994, between the Company and Morris Goldfarb.(4)
10.1(a)	Amendment, dated October 1, 1999, to the Employment Agreement, dated February 1, 1994, between the Company and Morris Goldfarb.(10)
10.3	Sixth Amended and Restated Loan Agreement, dated April 29, 2002, by and among G-III Leather Fashions, Inc. ("G-III"), the banks signatories thereto (the "Banks"), and Fleet Bank, N.A. ("Fleet Bank"), as Agent.(12)
10.3(a)	Amendment No. 1 and Waiver to Sixth Amended and Restated Loan Agreement, dated March 18, 2003, by and among G-III, the Banks and Fleet Bank
10.6	Lease, dated September 21, 1993, between Hartz Mountain Associates and the Company.(3)
10.6(a)	Lease renewal, dated May 27, 1999, between Hartz Mountain Associates and the Company.(11)
10.7	Lease, dated June 1, 1993, between 512 Seventh Avenue Associates ("512") and the Company.(4)
10.7(a)	Lease amendment, dated July 1, 2000, between 512 and the Company.(11)

10.8	Lease, dated January 31, 1994, between 512 and the Company.(5)
10.8(a)	Lease amendment, dated July 1, 2000, between 512 the Company.(11)
10.10	G-III Apparel Group, Ltd. 1989 Stock Option Plan, as amended.(4)
10.11	G-III Apparel Group, Ltd. Stock Option Plan for Non-Employee Directors.(2)
10.12	G-III Apparel Group, Ltd. 1997 Stock Option Plan.(7)
10.13	Letter Agreement, dated December 2, 1998, between the Company and Aron Goldfarb.(8)
10.14	G-III Apparel Group, Ltd. 1999 Stock Option Plan for Non-Employee Directors.(10)
21	Subsidiaries of the Company.
23	Consent of Ernst & Young LLP, dated April 25, 2003.
99.1	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:

None.

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(1) Previously filed as an exhibit to the Company's Registration Statement on Form S-1 (no. 33-31906), which exhibit is incorporated herein by reference.

(2) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1991, which exhibit is incorporated herein by reference.

(3) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1992, which exhibit is incorporated herein by reference.

(4) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1994, which exhibit is incorporated herein by reference.

(5) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1995, which exhibit is incorporated herein by reference.

(6) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 1997, which exhibit is incorporated herein by reference.

(7) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31,1997, which exhibit is incorporated herein by reference.

(8) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1999, which exhibit is incorporated herein by reference.

(9) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 1999, which exhibit is incorporated herein by reference.

(10) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2000, which exhibit is incorporated herein by reference.

(11) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2001, which exhibit is incorporated herein by reference.

(12) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2002, which exhibit is incorporated herein by reference.

Exhibits have been included in copies of this Report filed with the Securities and Exchange Commission. We will provide, without charge, a copy of these exhibits to each stockholder upon the written request of any such stockholder therefor. All such requests should be directed to G-III Apparel Group, Ltd., 512 Seventh Avenue, 35th floor, New York, New York 10018, Attention: Mr. Wayne S. Miller, Secretary.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under-signed, thereunto duly authorized.

G-III APPAREL GROUP, LTD.

By /s/ Morris Goldfarb

Morris Goldfarb,
Chief Executive Officer

April 24, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Morris Goldfarb ------------------------------ Morris Goldfarb	Director, Co-Chairman of the Board and Chief Executive Officer (principal executive officer)	April 24, 2003
/s/ Wayne Miller ------------------------------ Wayne S. Miller	Senior Vice President and Chief Financial Officer (principal financial and accounting officer)	April 24, 2003
/s/ Aron Goldfarb ------------------------------ Aron Goldfarb	Director and Co-Chairman of the Board	April 24, 2003
------------------------------ Lyle Berman	Director	April 24, 2003
/s/ Thomas J. Brosig ------------------------------ Thomas J. Brosig	Director	April 24, 2003
/s/ Alan Feller ------------------------------ Alan Feller	Director	April 24, 2003
/s/ Carl Katz ------------------------------ Carl Katz	Director	April 24, 2003
/s/ Willem van Bokhorst ------------------------------ Willem van Bokhorst	Director	April 24, 2003
/s/ Richard White ------------------------------ Richard White	Director	April 24, 2003
/s/ George J. Wincell ------------------------------ George J. Winchell	Director	April 24, 2003

CERTIFICATIONS

I, Morris Goldfarb, certify that:

I have reviewed this annual report on Form 10-K of G-III Apparel Group, Ltd.;

Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 24, 2003

/s/ Morris Goldfarb

Morris S. Goldfarb
Chief Executive Officer

I, Wayne S. Miller, certify that:

I have reviewed this annual report on Form 10-K of G-III Apparel Group, Ltd.;

Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 24, 2003

/s/ Wayne Miller

Wayne S. Miller
Chief Financial Officer

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES
(ITEM 15(a))

All other schedules for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, accordingly, are omitted.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders
of G-III APPAREL GROUP, LTD.

We have audited the accompanying consolidated balance sheets of G-III Apparel Group, Ltd. and subsidiaries as of January 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended January 31, 2003. Our audits also included the financial statement schedule listed in the index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of G-III Apparel Group, Ltd. and subsidiaries at January 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 31, 2003, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG LLP

New York, New York
March 20, 2003

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

January 31,
(in thousands, except share and per share amounts)

ASSETS	2003	2002
CURRENT ASSETS		
Cash and cash equivalents	$ 3,408	$ 2,481
Accounts receivable, net of allowance for doubtful accounts and sales discounts of $7,711 and $6,169, respectively	19,157	9,922
Inventories	30,948	37,172
Deferred income taxes	5,795	5,286
Prepaid expenses and other current assets	2,847	3,749
Total current assets	62,155	58,610
PROPERTY, PLANT AND EQUIPMENT, NET	2,065	3,021
DEFERRED INCOME TAXES	2,181	1,954
OTHER ASSETS	4,555	4,116
	$70,956	$67,701
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	$ 770	$ 800
Current maturities of obligations under capital leases	115	106
Income taxes payable	1,699	1,118
Accounts payable	5,699	5,079
Accrued expenses	6,612	5,367
Total current liabilities	14,895	12,470
OTHER LONG-TERM LIABILITIES	313	418
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock; 1,000,000 shares authorized; no shares issued and outstanding in all periods		
Common stock - $.01 par value; authorized, 20,000,000 shares; 7,120,644 and 6,944,071 shares issued at January 31, 2003 and 2002, respectively	71	69
Additional paid-in capital	26,190	25,581
Foreign currency translation adjustments	36	94
Retained earnings	30,421	30,039

	56,718	55,783
Less common stock held in treasury -- 244,817 shares, at cost, at January 31, 2003 and 2002	(970)	(970)
	55,748	54,813
	$70,956	$67,701

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	Year ended January 31,		
	2003	2002	2001
Net sales	$ 202,651	$ 201,426	$187,057
Cost of goods sold	153,367	158,160	136,099
Gross profit	49,284	43,266	50,958
Selling, general and administrative expenses	41,551	35,814	29,860
Unusual or non-recurring charge	3,556	--	(643)
Operating profit	4,177	7,452	21,741
Interest and financing charges, net	1,907	3,577	2,839
Income before minority interest and income taxes	2,270	3,875	18,902
Minority interest in income of joint venture	--	--	(312)
Income before income taxes	2,270	3,875	18,590
Income tax	1,888	1,511	7,436
NET INCOME	$ 382	$ 2,364	$ 11,154
INCOME PER COMMON SHARE:			
Basic:			
Net income per common share	$ .06	$ .35	$ 1.70
Weighted average number of shares outstanding	6,764	6,676	6,562
Diluted:			
Net income per common share	$ .05	$ .32	$ 1.57
Weighted average number of shares outstanding	7,347	7,374	7,121

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended January 31, 2003, 2002, and 2001
(in thousands, except share amounts)

	Common stock	Additional paid-in capital	Foreign currency translation adjustments	Retained earnings	Common stock held in Treasury	Total
Balance as of January 31, 2000	$68	$24,874	$ (89)	$16,521	$ (430)	$40,944
Employee stock options exercised	1	240				241
Tax benefit from exercise of options		181				181
Purchase of 126,242 shares, at cost					(540)	(540)
Foreign currency translation adjustment			162			162
Net income for the year				11,154		11,154
Balance as of January 31, 2001	69	25,295	73	27,675	(970)	52,142
Employee stock options exercised		148				148
Tax benefit from exercise of options		138				138
Foreign currency translation adjustment			21			21
Net income for the year				2,364		2,364
Balance as of January 31, 2002	69	25,581	94	30,039	(970)	54,813
Employee stock options exercised	2	383				385
Tax benefit from exercise of options		226				226
Foreign currency translation adjustment			(58)			(58)
Net income for the year				382		382
BALANCE AS OF JANUARY 31, 2003	$71	$26,190	$ 36	$30,421	$ (970)	$55,748

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year ended January 31,		
	2003	2002	2001
Cash flows from operating activities			
Net income	$ 382	$ 2,364	$ 11,154
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization	1,489	1,216	1,160
Write off property plant and equipment of closed subsidiary	268		
Write off goodwill relating to closed subsidiary	61		
Minority interest			312
Deferred income tax benefit	(736)	(2,351)	(213)
Changes in operating assets and liabilities			
Accounts receivable	(9,235)	(2,636)	5,419
Inventories	6,224	5,278	(19,027)
Income taxes payable	581	(1,194)	(562)
Tax benefit from exercise of options	226	138	181
Prepaid expenses and other current assets	902	(1,268)	(1,587)
Other assets	(138)	(80)	1,783
Accounts payable and accrued expenses	1,865	(5,179)	3,688
Other long-term liabilities	10	(78)	(62)
	1,517	(6,154)	(8,908)
Net cash provided by (used in) operating activities	1,899	(3,790)	2,246
Cash flows from investing activities			
Capital expenditures	(443)	(1,167)	(852)
Capital dispositions		32	90
Purchase of certain assets of Gloria Gay Coats, LLC	(720)	(1,523)	(3,402)

Net cash used in investing activities	(1,163)	(2,658)	(4,164)

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)

	YEAR ENDED JANUARY 31,		
	2003	2002	2001
Cash flows from financing activities			
Decrease in notes payable, net	$ (30)	$ (700)	$ (1,811)
Proceeds from capital lease obligations		381	
Payments for capital lease obligations	(106)	(152)	(100)
Proceeds from exercise of stock options	385	148	241
Investment in joint venture by Minority Partner			(1,333)
Purchase of common stock for Treasury			(540)
Net cash provided by (used in) financing activities	249	(323)	(3,543)
Effect of exchange rate charges on cash and cash equivalents	(58)	21	162
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	927	(6,750)	(5,299)
Cash and cash equivalents at beginning of year	2,481	9,231	14,530
Cash and cash equivalents at end of year	$3,408	$ 2,481	$ 9,231
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	$1,645	$ 3,235	$ 2,780
Income taxes	$1,779	$ 3,488	$ 8,050

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2003, 2002, and 2001

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

1. Business Activity and Principles of Consolidation

As used in these financial statements, the term "Company" or "G-III" refers to G-III Apparel Group, Ltd. and its majority-owned subsidiaries. The Company designs, manufactures, imports, and markets an extensive range of leather and textile apparel which is sold to retailers throughout the United States. The Company also operates one retail outlet store.

The Company consolidates the accounts of all its majority-owned subsidiaries. The fiscal year-end for the Company's Indonesian subsidiary is December 31, and is included in the Company's consolidation as of that date. The effect of the intervening period on the results for prior years is not significant to the financial results of the Company. All material intercompany balances and transactions have been eliminated.

References to fiscal years refer to the year ended or ending on January 31 of that year.

Certain reclassifications have been made to conform to the fiscal 2003 presentation.

2. Revenue Recognition

The Company recognizes sales when merchandise is shipped. In addition, the Company acts as an agent in brokering sales between its customers and overseas factories. On these transactions, the Company recognizes commission fee income on the sales that are financed by and shipped directly to its customers. This income is recorded at the time the merchandise is shipped.

3. Returns and Allowances

The Company establishes reserves for returns and allowances based on current and historical information and trends. Sales and accounts receivable have been reduced by such amounts.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Inventories

Inventories are stated at the lower of cost (determined by the weighted average method, which approximates the first-in, first-out method) or market.

5. Intangibles

In January 2001, the Company purchased the operations and certain assets of Gloria Gay Coats, LLC for $3.4 million. Approximately $1.1 million of the purchase price was allocated to a license agreement acquired in connection with this transaction. The Company was also contractually obligated to make certain contingent payments if the division reached certain performance criteria in each of the two years ending January 31, 2003. Pursuant to the purchase agreement, additional payments of $720,000 and $1.5 million were paid or accrued as of January 31, 2003 and 2002, respectively. These additional payments were also allocated to the license agreement. The $2.9 million aggregate net intangible is included in other assets on the balance sheet and is being amortized using the straight-line method through 2009, the expected life of this license.

6. Depreciation and Amortization

Depreciation and amortization are provided by straight-line methods in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives.

The following are the estimated lives of the Company's fixed assets:

Machinery and equipment	5 to 7 years
Furniture and fixtures	5 years
Computer equipment	2 to 5 years
Building	20 years

Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Impairment of Long-Lived Assets

The Company annually evaluates the carrying value of its long-lived assets to determine whether changes have occurred that would suggest that the carrying amount of such assets may not be recoverable based on the estimated future undiscounted cash flows of the businesses to which the assets relate. Any impairment loss would be equal to the amount by which the carrying value of the assets exceeded its fair value.

8. Income Taxes

Deferred income tax assets reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

9. Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

10. Joint Ventures

China

In fiscal 1995, the Company entered into a joint venture agreement with a Chinese entity principally to operate a factory located in the People's Republic of China. The Company invested $542,000 to obtain a 39% interest in the joint venture company. The joint venture company has an initial term of twenty years. The Company accounts for the joint venture operations, which are not material, using the equity method of accounting.

BET Design Studio

In 1997, the Company formed BET Design Studio, LLC, a joint venture with Black Entertainment Television, Inc. ("BET"). The Company had a 50.1% ownership interest in the joint venture and included the results of the joint venture less the share of the minority interest in its consolidated financial statements. Through March 31, 2000, the Company and BET had each contributed $3.8 million to the joint venture. In November 1999, the Company and BET agreed to cease the operations of the joint venture (see Note F). The joint venture was dissolved effective as of January 31, 2001.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Net Income Per Common Share

Basic earnings per share amounts have been computed using the weighted average number of common shares outstanding during each year. Diluted earnings per share amounts have been computed using the weighted average number of common shares and the dilutive potential common shares outstanding during the year.

A reconciliation between basic and diluted earnings per share is as follows:

	Year ended January 31,		
	2003	2002	2001
	(in thousands, except per share amounts)		
Net income	$ 382	$ 2,364	$11,154
Basic EPS:			
Basic common shares	6,764	6,676	6,562
Basic EPS	$ 0.06	$ 0.35	$ 1.70
Diluted EPS:			
Basic common shares	6,764	6,676	6,562
Plus impact of stock options	583	698	559
Diluted common shares	7,347	7,374	7,121
Diluted EPS	$ 0.05	$ 0.32	$ 1.57

Excluded from the above calculations are stock options for 45,000, 6,000, and 217,000 shares which were deemed to be antidilutive for the years ended January 31, 2003, 2002, and 2001, respectively.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Stock-based Compensation

The Company grants stock options for a fixed number of shares to employees and directors with an exercise price equal to or greater than the fair value of the shares at the date of grant. The Company has adopted the disclosure-only provision of Statements of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," which permits the Company to account for stock option grants in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, the Company recognizes no compensation expense for the stock option grants.

Pro forma disclosures, as required by SFAS No. 148, "Accounting for Stock Based Compensation - Transition and Disclosure," are computed as if the Company recorded compensation expense based on the fair value for stock-based awards at grant date. The following pro forma information includes the effects of these options:

	Year ended January 31,		
	2003	2002	2001
	(in thousands, except per share amounts)		
Net income - as reported	$ 382	$ 2,364	$ 11,154
Deduct: Stock-based employee compensation expense determined under fair value method, net of related tax effects	297	335	254
Pro forma net income	$ 85	$ 2,029	$ 10,900
Earnings per share:			
Basic - as reported	$ .06	$ .35	$ 1.70
Basic - adjusted	$ .01	$ .30	$ 1.66
Diluted - as reported	$ .05	$ .32	$ 1.57
Diluted - adjusted	$ .01	$ .28	$ 1.53

The effects of applying SFAS 123 on this pro forma disclosure may not be indicative of future results. SFAS 123 does not apply to grants prior to 1995, and additional awards in future years may or may not be granted.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Fair Value of Financial Instruments

Based on borrowing rates currently available to the Company for bank loans with similar terms and maturities, the fair value of the Company's short-term debt approximates the carrying value. Furthermore, the carrying value of all other financial instruments potentially subject to valuation risk (principally consisting of cash, accounts receivable and accounts payable) also approximates fair value.

15. Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs charged to expense were $5.5 million, $4.5 million, and $2.4 million in fiscal 2003, 2002, and 2001, respectively.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Foreign Currency Translation

The financial statements of subsidiaries outside the United States, other than Indonesia are measured using local currency as the functional currency. Assets and liabilities are translated at the rates of exchange at the balance sheet date. Income and expense items are translated at average monthly rates of exchange. Gains and losses from foreign currency transactions of these subsidiaries are included in net earnings.

The financial statements of the Indonesian subsidiary use the U.S. dollar as the functional currency and have certain transactions denominated in a local currency which are remeasured as if the functional currency were the U.S. dollar. The remeasurement of local currencies into U.S. dollars creates translation adjustments which are included in net income. Exchange gains and losses in fiscal 2003, 2002, and 2001 resulting from foreign currency transactions, including those resulting from foreign currency translation losses, have not been significant and are included in the respective statements of income.

17. Effects of Recently Issued Accounting Pronouncements

Business Combination and Goodwill and Other Intangible Assets

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards ("SFAS") No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new guidelines, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized, but will be subject to annual impairment tests in accordance with these statements. Other intangible assets will continue to be amortized over their useful lives. The Company adopted these pronouncements effective as of

February 1, 2002. Adoption of this Statement did not have a material impact on the Company's consolidated results of operations and financial position.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

17. Effects of Recently Issued Accounting Pronouncements (continued)

Impairment or Disposal of Long-Lived Assets

In August 2001, the FASB issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement supercedes Statement No. 121. Although this Statement retains many of the fundamental provisions of Statement No. 121, it expands the scope of discontinued operations and significantly changes the criteria for classifying an asset as held-for-sale. The provisions of this statement are effective for fiscal years beginning after December 15, 2001. The Company adopted this pronouncement effective as of February 1, 2002. Adoption of this Statement did not have a material impact on the Company's consolidated results of operations and financial position.

Costs Associated with Exit or Disposal Activities

In June 2002, the Financial Accounting Standards Board issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146"). SFAS 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by SFAS 146 include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. SFAS 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. The Company is currently evaluating the requirements and impact of SFAS 146 and does not expect that the adoption of SFAS 146 will have a material effect on its consolidated results of operations or financial position.

NOTE B - INVENTORIES

Inventories consist of:

	January 31,	
	2003	2002
	(000's)	
Finished goods	$ 21,285	$ 18,240
Work-in-process	208	576
Raw materials	9,455	18,356
	$ 30,948	$ 37,172

Raw materials of $8.7 million and $8.2 million were maintained in China at January 31, 2003 and January 31, 2002, respectively. Raw materials of $8.0 million were maintained in Indonesia at January 31, 2002. There were no raw materials in Indonesia at January 31, 2003.

NOTE C - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at cost consist of:

	January 31,	
	2003	2002
	(000's)	
Machinery and equipment	$ 1,498	$ 1,732
Leasehold improvements	5,166	5,061
Furniture and fixtures	1,408	1,752
Computer equipment	5,514	5,288
Land and building	969	969
Property under capital leases (Note H)		
Computer equipment	180	180
Leasehold improvements	200	200
	14,935	15,182
Less accumulated depreciation and amortization (including $138,000 and $43,000 on property under capital leases at January 31, 2003 and 2002, respectively)	12,870	12,161
	$ 2,065	$ 3,021

NOTE D - NOTES PAYABLE

Notes payable include foreign notes payable by PT Balihides, the Company's Indonesian subsidiary. The foreign notes payable represent maximum borrowings under a line of credit of approximately $770,000 and $800,000 with an Indonesian bank, as of January 31, 2003 and 2002. The loan is secured by the property, plant, and equipment of the subsidiary and is not the obligation of any G-III entity other than PT Balihides.

The Company's domestic loan agreement, which expires on May 31, 2005, is a collateralized working capital line of credit with six banks that provides for an aggregate maximum line of credit in amounts that range from $45 million to $90 million at specific times during the year. The line of credit provides for maximum direct borrowings ranging from $40 million to $72 million during the year. The unused balance may be used for letters of credit. Amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement. The loan agreement contains financial covenants relating to earnings before interest, taxes, depreciation and amortization ("EBITDA") and tangible net worth. The Company was not in compliance with the EBITDA covenant for the year ended January 31, 2003. A waiver was received on March 18, 2003 regarding this covenant. There was no loan balance outstanding at either January 31, 2003 or 2002 under this agreement. The line of credit includes a requirement that the Company have no loans and acceptances outstanding for 45 consecutive days each year of the lending agreement. The Company met this requirement.

All borrowings under the agreement bear interest at the option of the Company at either the prevailing prime rate (4.25% at April 1, 2003) or LIBOR plus 225 basis points (3.53% at April 1, 2003) and are collateralized by the assets of the Company. The loan agreement requires the Company, among other covenants, to maintain certain earnings and tangible net worth levels, and prohibits the payment of cash dividends.

The weighted average interest rates for amounts borrowed under the domestic loan agreement and the PT Balihides notes were 4.4% and 6.0% for the years ended January 31, 2003 and 2002, respectively.

At January 31, 2003 and 2002, the Company was contingently liable under letters of credit in the amount of approximately $3.7 million and $2.6 million, respectively.

NOTE E - OTHER LIABILITIES

Other long-term liabilities consist of:

	January 31, 2003	January 31, 2002
	(000's)	
Non-recurring charges	$ --	$ 27
Capital lease obligations	88	203
Supplemental employee retirement plan	225	188
	$ 313	$ 418

NOTE F - NON-RECURRING CHARGES

The status of the components of the nonrecurring charges was:

	Initial charge	Utilized in fiscal 2003	RESERVE AT JANUARY 31, 2003
	(000's)		
Severance	$ 2,050	$ 1,123	$ 927
Accrued expenses and other	1,040	470	570
Professional fees	435	15	420
Net write-off of Indonesian assets	385	385	-
Inventory valuation impairment	200	200	-
	$ 4,110	$ 2,193	$ 1,917

In December 2002, the Company announced its decision to close its manufacturing facility in Indonesia due to rapidly rising costs and losses associated with this facility, as well as the political and economic instability in Indonesia. The fiscal quarter and year ended January 31, 2003 include charges aggregating $4.1 million ($3.4 million on an after-tax basis) in connection with this closedown. In the Company's Consolidated Statements of Income, $3.6 million of these charges are included in "Unusual or non-recurring charges" and $554,000 of these charges are included in "Cost of goods sold".

NOTE F - NON-RECURRING CHARGES (CONTINUED)

In November 1999, the Company formulated a plan to cease operations of the BET Design Studio joint venture. The joint venture generated approximately $2.4 million in revenues and incurred losses of approximately $2.0 million in the year ended January 31, 2000. In connection with the plan, the Company charged $1.6 million to unusual and non-recurring charges in the year ended January 31, 2000. Following the disposition of the remaining assets and liabilities, the excess amount of $643,000 was credited to unusual and non-recurring charges in the year ended January 31, 2001.

Based on current estimates, management believes that existing accruals are adequate.

NOTE G - INCOME TAXES

The income tax provision is comprised of the following:

	Year ended January 31,		
	2003	2002	2001
	(000's)		
Current			
Federal	$ 1,402	$ 3,127	$ 5,993
State and city	462	519	1,230
Foreign	760	216	426
	2,624	3,862	7,649
Deferred benefit	(736)	(2,351)	(213)
	$ 1,888	$ 1,511	$ 7,436
Income (loss) before income taxes			
United States	$ 2,691	$ 3,216	$ 16,881
Non-United States	(421)	659	1,709

The significant components of the Company's deferred tax asset at January 31, 2003 and 2002 are summarized as follows:

	2003	2002
	(000's)	
Supplemental employee retirement plan	$ 117	$ 116
Officer bonus	63	120
Provision for bad debts and sales allowances	2,716	2,066
Depreciation and amortization	1,755	1,578
Inventory write-downs	748	1,648
Advertising allowance	568	381
Sales return accrual	758	888
Straight-line lease	297	260
Accrued non-recurring charges	702	84
Other	252	99
	$ 7,976	$ 7,240

NOTE G - INCOME TAXES (CONTINUED)

The following is a reconciliation of the statutory federal income tax rate to the effective rate reported in the financial statements:

	YEAR ENDED JANUARY 31, 2003		Year ended January 31, 2002		Year ended January 31, 2001	
	AMOUNT	PERCENT OF INCOME	Amount	Percent of income	Amount	Percent of income
	(000'S)		(000's)		(000's)	
Provision for Federal income taxes at the statutory rate	$ 794	35.0%	$ 1,356	35.0%	$ 6,507	35.0%
State and city income taxes, net of Federal income tax benefit	218	9.6	33	.9	774	4.2
Effect of foreign taxable operations	827	36.4	42	1.1	(236)	(1.3)
Effect of permanent differences resulting in Federal taxable income	51	2.2	45	1.2	21	.1
Other, net	(2)	-	35	.8	370	2.0
Actual provision for income taxes	$ 1,888	83.2%	$ 1,511	39.0%	$ 7,436	40.0%

Undistributed earnings of the Company's foreign subsidiaries amounted to approximately $1.9 million at January 31, 2003. Those earnings are considered to be indefinitely reinvested and, accordingly, no provision for U.S. income taxes has been provided thereon. Upon distribution of those earnings in the form of dividends or otherwise, the Company would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries, as applicable.

NOTE H - COMMITMENTS AND CONTINGENCIES

The Company leases warehousing, executive and sales facilities, and transportation equipment under operating leases with options to renew at varying terms. Leases with provisions for increasing rents have been accounted for on a straight-line basis over the life of the lease.

In addition, certain equipment leases have been treated as capital leases. The present values of minimum future obligations are calculated based on interest rates at the inception of the leases. The following schedule sets forth the future minimum rental payments for operating leases having noncancellable lease periods in excess of one year and future minimum lease payments under capital leases at January 31, 2003:

(in thousands)	Operating Leases	Capital Leases
Year ending January 31,		
2004	$ 2,308	$ 122
2005	2,138	90
2006	1,329	5
2007	1,196	-
2008	1,406	-
Thereafter	4,655	-

Net minimum lease payments	$ 13,032	217
Less amount representing interest		15
Present values of minimum lease payments		$ 202
Current portion		$ 114
Noncurrent portion		88
		$ 202

Rent expense on the above operating leases (including the lease with 345 West - see Note K) for the years ended January 31, 2003, 2002, and 2001 was approximately $2,246,000, $2,114,000, and $1,768,000, respectively, net of sublease income of $190,000, $196,000, and $289,000, respectively.

NOTE H - COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company has entered into license agreements that provide for royalty payments from 3.5% to 12% of net sales of licensed products. The Company incurred royalty expense (included in cost of goods sold) of approximately $8,982,000, $6,855,000, and $4,858,000 for the years ended January 31, 2003, 2002, and 2001, respectively. Based on minimum sales requirements, future minimum royalty payments required under these agreements are:

Year ending January 31,	Amount
2004	$ 7,252,000
2005	5,860,000
2006	1,343,000
2007	690,000
	$15,145,000

The Company has an employment agreement with its chief executive officer which expires on January 31, 2006. The agreement provides for a base salary and bonus payments that vary between 3% and 6% of pretax income in excess of $2 million.

NOTE I - STOCKHOLDERS' EQUITY

Certain agreements entered into by the Company in connection with the loan by the Authority relating to the building located at 345 West 37th Street in New York City and the bank agreements prohibit the payment of cash dividends without consent.

Stock Options

The Company's stock plans authorize the granting of 1,880,000 options to executive and key employees and 81,500 to directors of the Company. It is the Company's policy to grant stock options at prices not less than the fair market value on the date of the grant. Option terms, vesting and exercise periods vary, except that the term of an option may not exceed ten years.

NOTE I - STOCKHOLDERS' EQUITY (CONTINUED)

The weighted average fair value at date of grant for options granted during 2003, 2002 and 2001 was $4.21, $5.25, and $4.24 per option, respectively. The fair value of each option at date of grant was estimated using the Black-Scholes option pricing model. Such compensation calculation may not be representative of the future effects of applying SFAS 123. The following weighted average assumptions were used in the Black-Scholes option pricing model for grants in 2003, 2002, and 2001, respectively:

	2003	2002	2001
Expected stock price volatility	61.3%	65.9%	72.9%
Expected lives of options			
Directors and officers	7 YEARS	7 years	7 years
Employees	6 YEARS	6 years	6 years
Risk-free interest rate	3.6%	4.9%	6.0%
Expected dividend yield	0%	0%	0%

NOTE I - STOCKHOLDERS' EQUITY (CONTINUED)

Information regarding these option plans for 2003, 2002, and 2001 is as follows:

	2003		2002		2001	
	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Options outstanding at beginning of year	1,182,650	$3.33	1,243,250	$3.23	1,279,800	$2.97
Exercised	(176,598)	2.18	(65,900)	2.25	(110,250)	2.17
Granted	240,000	6.88	11,000	7.82	81,000	6.07

Cancelled or forfeited	(6,032)	4.61	(5,700)	4.31	(7,300)	3.59
Options outstanding at end of year	1,240,020	$4.17	1,182,650	$3.33	1,243,250	$3.23
Exercisable	813,280	$3.45	875,440	$3.14	818,736	$2.98

The following table summarizes information about stock options outstanding:

Range of exercise prices	Number outstanding as of January 31, 2003	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable as of January 31, 2003	Weighted average exercise price
$1.62 - $3.00	555,932	4.1 years	$2.30	461,196	$2.30
$3.01 - $6.00	342,088	4.8 years	$4.62	296,684	$4.67
$6.01 - $9.55	342,000	8.6 years	$6.76	55,400	$6.45
	1,240,020			813,280	

Included in the above outstanding options as of January 31, 2003, 2002, and 2001 are 25,000 options with an exercise price of $6.50 and 25,000 options with an exercise price of $5.50 for which the fair value at the date of grant was $3.75. All other options were issued at an amount equal to the fair market value at the date of grant.

NOTE J - MAJOR CUSTOMERS

For the years ended January 31, 2003, 2002, and 2001, one customer accounted for 21.0%, 21.1%, and 21.1%, respectively, of the Company's net sales, primarily for purchases of non-licensed apparel.

The Company estimates an allowance for doubtful accounts based on the creditworthiness of its customers as well as general economic conditions. Consequently, an adverse change in those factors could affect the Company's estimate.

NOTE K - RELATED PARTY TRANSACTIONS

In April 1988, 345 West 37th Corp. ("345 West"), a property owned by two principal stockholders, received a loan from the New York Job Development Authority ("Authority") to assist 345 West in its renovation of the 345 West property. The loan is for a period of 15 years and is repayable in monthly installments of $11,000, which includes interest at 8.25%. The loan is financed by long-term bonds issued by the Authority. G-III and the two principal stockholders of the Company have signed corporate and personal guarantees for this loan. The outstanding principal of this debt was approximately $33,000 and $159,000 as of January 31, 2003 and 2002, respectively. The final payment under this loan was made in April, 2003.

During the years ended January 31, 2003, 2002, and 2001, G-III leased space from 345 West. Operating expenses paid by G-III to 345 West during the years ended January 31, 2003, 2002, and 2001, amounted to approximately $161,000, $202,000, and $233,000, respectively.

An executive of the Company owns an approximate 5% equity interest on a fully diluted basis in Wilsons the Leather Experts Inc. ("Wilsons"), a customer of the Company. In addition, an outside director of the Company owns an approximate 5% indirect equity interest on a fully diluted basis of Wilsons. During the years ended January 31, 2003, 2002 and 2001, Wilsons accounted for approximately $8,679,000, $11,590,000, and $13,121,000, respectively, of the Company's net sales. Accounts receivable from Wilsons at January 31, 2003 were approximately $213,000.

NOTE L - PENSION PLANS

The Company maintains a 401(k) profit-sharing plan and trust for nonunion employees. At the discretion of the Company, the Company currently matches 50% of employee contributions up to 3% of the participant's compensation. The Company's matching contributions amounted to approximately $186,000, $200,000, and $157,000, for the years ended January 31, 2003, 2002, and 2001, respectively.

NOTE M - SEGMENTS

The Company's reportable segments are business units that offer different products and are managed separately. The company operates in two segments, licensed and non-licensed apparel. The following information is presented for the fiscal years indicated below:

	2003		2002		2001	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed	Licensed	Non-Licensed
Net sales	$106,902	$ 95,749	$ 85,977	$115,449	$ 70,855	$116,202
Cost of goods sold	78,507	74,860	65,479	92,681	49,738	86,361
Gross profit	28,395	20,889	20,498	22,768	21,117	29,841
Selling, general and administrative	24,808	16,743	19,510	16,304	13,687	16,173
Unusual or non-recurring charge		3,556				(643)
Operating profit	3,587	590	988	6,464	7,430	14,311
Interest and financing charges, net	886	1,021	1,792	1,785	1,150	1,689
Income (loss) before minority interest and income taxes	2,701	(431)	(804)	4,679	6,280	12,622
Minority interest in income of joint venture						(312)
Income (loss) before income Taxes	$ 2,701	$ (431)	$ (804)	$ 4,679	$ 6,280	$ 12,310

Commission fee income was $3.3 million, $3.2 million, and $6.2 million for fiscal 2003, 2002, and 2001, respectively. This fee income is included in non-licensed net sales and gross profit. The Company allocates all expenses to its two reportable segments.

	2003		2002		2001	
	REVENUES	LONG-LIVED ASSETS	Revenues	Long-Lived Assets	Revenues	Long-Lived Assets
Geographic region						
United States	$200,205	$ 6,799	$194,921	$ 6,836	$181,215	$ 4,671
Non-United States	2,446	1,352	6,505	2,255	5,842	2,329
	$202,651	$ 8,151	$201,426	$ 9,091	$187,057	$ 7,000

NOTE M - SEGMENTS (CONTINUED)

Included in finished goods inventory at January 31, 2003, 2002, and 2001 are $10.4 million and $10.6 million, $9.3 million and $8.9 million, and $8.6 million and $9.0 million, respectively, of inventories for licensed and non-licensed apparel, respectively. All other assets are commingled.

NOTE N - QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data in thousands, except per share numbers, for the fiscal years ended January 31, 2003 and 2002 are as follows:

	Quarter ended			
	April 30, 2002	July 31, 2002	October 31, 2002	January 31, 2003
January 31, 2003				
Net sales	$ 12,691	$ 40,022	$102,284	$ 47,654
Gross profit	903	10,813	27,960	9,608
Net income (loss)	(4,169)	576	8,495	(4,520)(a)
Net income (loss) per common share				
Basic	$ (0.62)	$ 0.09	$ 1.25	$ (0.66)(a)
Diluted	(0.62)	0.08	1.16	(0.66)(a)

	Quarter ended			
	April 30, 2001	July 31, 2001	October 31, 2001	January 31, 2002
January 31, 2002				
Net sales	$ 17,167	$ 62,913	$ 90,623	$ 30,723
Gross profit	2,950	16,615	20,718	2,983
Net income (loss)	(2,892)	3,885	5,033	(3,662)
Net income (loss) per common share				
Basic	$ (0.44)	$ 0.58	$ 0.75	$ (0.55)
Diluted	(0.44)	0.52	0.68	(0.55)

(a) Includes a charge of $3.4 million, net of tax, or $0.50 per diluted share, associated with expenses related to closing the Company's manufacturing facility in Indonesia.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at beginning of period	(1) Charged to costs and expenses	(2) Charged to other accounts	Deductions (a)	Balance at end of period
Year ended January 31, 2003					
Deducted from asset accounts					
Allowance for doubtful accounts	$ 614	$ 902		$ 204	$1,312
Allowance for sales discounts	5,555	5,303		4,459	6,399
	$6,169	$6,205		$4,663	$7,711
Year ended January 31, 2002					
Deducted from asset accounts					
Allowance for doubtful accounts	$ 466	$ 234		$ 86	$ 614
Allowance for sales discounts	3,776	6,370		4,591	5,555
	$4,242	$6,604		$4,677	$6,169
Year ended January 31, 2001					
Deducted from asset accounts					
Allowance for doubtful accounts	$ 806	$ 30		$ 370	$ 466
Allowance for sales discounts	3,086	4,937		4,247	3,776
	$3,892	$4,967		$4,617	$4,242

(a) Accounts written off as uncollectible, net of recoveries.

EXHIBIT 10.3(a)

AMENDMENT NO. 1 AND WAIVER TO
SIXTH AMENDED AND RESTATED LOAN AGREEMENT

AGREEMENT, made as of the 18th day of March, 2003, by and among:

G-III LEATHER FASHIONS, INC., a New York corporation (the "BORROWER");

The Lenders that have executed the signature pages hereto (individually, a "LENDER" and, collectively, the "LENDERS"); and

FLEET NATIONAL BANK, a national banking association, as Agent for the Lenders (in such capacity, together with its successors in such capacity, the "AGENT").

W I T N E S S E T H :

WHEREAS:

(A) The Borrower, the Lenders and the Agent are parties to a certain Sixth Amended and Restated Loan Agreement dated as of April 29, 2002 (the "ORIGINAL LOAN AGREEMENT"; the Original Loan Agreement, as amended hereby and as it may from time to time be further amended, restated, supplemented or otherwise modified, the "LOAN AGREEMENT");

(B) The Borrower has requested that the Lenders and the Agent waive certain Events of Default under, and amend certain provisions of, the Original Loan Agreement, and the Lenders and the Agent are willing do so, all on the terms and conditions hereinafter set forth; and

(C) All capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Original Loan Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1. CHANGE IN COMMITMENT.

SECTION 1.1 COMMITMENT. From and after the date hereof, for purposes of the Loan Agreement, the Commitment of each Lender shall be the amount set forth opposite each Lender's name on the signature pages hereto as the same may be reduced pursuant to the terms of the Loan Agreement, and such amount shall supersede and be deemed to amend the amount of each Lender's respective Commitment as set forth opposite its name on the signature pages to the Original Loan Agreement.

SECTION 1.2 ADJUSTMENT OF OUTSTANDING LOANS. If any Loans are outstanding under the Original Loan Agreement on the date hereof, the Lenders shall on the date hereof, at the direction of the Agent, make appropriate adjustments among themselves in order to insure that the amount (and type) of the Loans outstanding to the Borrower from each Lender under the Loan Agreement (as of the date hereof) are proportionate to the aggregate amount of the increased total Commitment. The Borrower agrees and consents to the terms of this Section 1.2.

ARTICLE 2. AMENDMENTS TO ORIGINAL LOAN AGREEMENT; SUBSTITUTED NOTES.

SECTION 2.1 The Original Loan Agreement is hereby amended as follows:

(a) The definition of "Borrowing Base Maximum" appearing in Article 1 of the Original Loan Agreement is deleted in its entirety and the following is substituted therefor:

"'Borrowing Base Maximum' - as of any date during any period set forth below, the amount set forth opposite such period:

Period	Borrowing Base Maximum
February 1, 2003 to and including April 30, 2003	$45,000,000
May 1, 2003 to and including June 30, 2003	$60,000,000
July 1, 2003 to and including September 30, 2003	$85,000,000
October 1, 2003 to and including November 30, 2003	$90,0000,000
December 1, 2003 to and including December 31, 2003	$60,000,000
January 1, 2004 to and including the Commitment Termination Date	$45,000,000

and the respective periods and amounts for Fiscal Year 2005 and the Stub Period shall be as preliminarily determined by the Lenders and the Borrower based on the Projections and the business plan (in each case delivered pursuant to Section 5.10(e)) for Fiscal Year 2005 and Fiscal Year 2006, respectively, and the unaudited financial statements (delivered pursuant to Section 5.10(e)) for Fiscal Year 2004 and Fiscal Year 2005, respectively, but in no event shall the periods be of different durations or the amounts be less than the amounts for the periods corresponding to the periods set forth above unless the Lenders determine (in their reasonable discretion) that such periods and amounts warrant adjustment based upon such Projections, business plan or unaudited financial statements and such preliminary determination shall become effective after receipt and satisfactory review by the Lenders of the Financial Statements for Fiscal Year 2005 and Fiscal Year 2006, respectively."

(b) The definition of "Commitment" appearing in Article 1 of the Original Loan Agreement is deleted in its entirety and the following is substituted therefor:

"'Commitment' - Ninety Million ($90,000,000) Dollars in the aggregate, allocated among each of the Lenders, respectively in the amount set forth opposite such Lender's name on the signature pages to the First Amendment under the

caption "Commitment", as such amount is reduced in accordance with the terms hereof."

(c) The definition of "Direct Debt Sublimit" appearing in Article 1 of the Original Loan Agreement is deleted in its entirety and the following is substituted therefor:

"'Direct Debt Sublimit' - for each period set forth below, the amount set forth opposite such period:

"Period	Direct Debt Sublimit
February 1, 2003 to and including May 31, 2003	$40,000,000
June 1, 2003 to and including June 30, 2003	$55,000,000
July 1, 2003 to and including November 30, 2003	$72,000,000
December 1, 2003 to and including December 31, 2003	$50,000,000

January 1, 2004 to and including the Commitment Termination Date	$40,000,000

and the respective periods and amounts for Fiscal Year 2005 and the Stub Period shall be as preliminarily determined by the Lenders and the Borrower based on the Projections and the business plan (in each case delivered pursuant to Section 5.10(e)) for Fiscal Year 2005 and Fiscal Year 2006, respectively, and the unaudited financial statements (delivered pursuant to Section 5.10(e)) for Fiscal Year 2004 and Fiscal Year 2005, respectively, but in no event shall the periods be of different durations or the amounts be less than the amounts for the periods corresponding to the periods set forth above unless the Lenders determine (in their reasonable discretion) that such periods and amounts warrant adjustment based upon such Projections, business plan or unaudited financial statements and such preliminary determination shall become effective after receipt and satisfactory review by the Lenders of the Financial Statements for Fiscal Year 2005 and Fiscal Year 2006, respectively."

(d) The following new definition is inserted in the appropriate alphabetical order in Article 1 of the Original Loan Agreement:

"'First Amendment' - shall mean Amendment No. 1 and Waiver to Sixth Amended and Restated Loan Agreement dated as of March 18, 2003, by and among the Borrower, the Lenders and the Agent."

(e) The definition of "Overadvance" appearing in Article 1 of the Original Loan Agreement is amended by deleting the chart appearing therein together with the text immediately beneath the chart and ending before the first proviso and substituting therefor the following:

"Period	Overadvance
March 15, 2003 to and including April 30, 2003	$15,000,000
May 1, 2003 to and including May 31, 2003	$25,000,000
June 1, 2003 to and including July 31, 2003	$32,000,000
August 1, 2003 to and including August 30, 2003	$27,500,000
August 31, 2003 to and including September 29, 2003	$18,000,000
September 30, 2003 to and including October 30, 2003	$10,000,000
October 31, 2003 to and including the Commitment Termination Date	-$0-

and the respective periods and amounts for Fiscal Year 2005 and the Stub Period shall be as preliminarily determined by the Lenders and the Borrower based on the Projections and the business plan (in each case delivered pursuant to Section 5.10(e)) for Fiscal Year 2005 and Fiscal Year 2006, respectively, and the unaudited financial statements (delivered pursuant to Section 5.10(e)) for Fiscal Year 2004 and Fiscal Year 2005, respectively, but in no event shall the periods be of different durations or the amounts be less than the amounts for the periods corresponding to the periods set forth above unless the Lenders determine (in their reasonable discretion) that such periods and amounts warrant adjustment based upon such Projections, business plan or unaudited financial statements, which preliminary determination shall be made within 70 days of receipt by the Lenders of such Projections, business plan and unaudited financial statements and such preliminary determination shall become effective after receipt and satisfactory review by the Lenders of the Financial Statements for Fiscal Year 2004 and Fiscal Year 2005, respectively;"

(f) Section 2.4(a) is deleted in its entirety and there is substituted therefor the following:

"(a) The Loans made by each Lender shall be evidenced by a single promissory note of the Borrower in substantially the form of Exhibit A annexed to the First Amendment (each, a "SUBSTITUTED NOTE" and, collectively, the "SUBSTITUTED NOTES"). Each Substituted Note shall be dated the date of the First Amendment, shall be payable to the order of each Lender in a principal amount equal to such Lender's Commitment as in effect on the date of the First Amendment and shall otherwise be duly completed. All Loans made by each Lender hereunder and all payments and prepayments made on account of the principal thereof, and all conversions of such Loans shall be recorded by such

Lender on the schedule attached to its Substituted Note (provided that any failure by such Lender to make any such endorsement shall not affect the obligations of the Borrower hereunder or under such Substituted Note in respect of such Loans). The Substituted Notes shall be payable as provided in Section 2.7."

(g) Section 6.9(a) of the Original Loan Agreement is deleted in its entirety and the following is substituted therefor:

"(a) Have or maintain, with respect to the Parent on a consolidated basis, EBITDA on a cumulative basis from the first day of each fiscal year through the date set forth below at not less than, or, in the case of a loss, not more than, the respective amounts set forth below opposite each such last day of the fiscal quarter:

"Date	EBITDA
April 30, 2003	($6,400,000)
July 31, 2003	($5,200,000)
October 31, 2003	$11,400,000
January 31, 2004	$10,700,000

and the respective amounts for Fiscal Year 2005 and the Stub Period shall be preliminarily determined by the Majority Lenders and the Borrower based on the Projections and business plan (in each case delivered pursuant to Section 5.10(e)) for Fiscal Year 2005 and Fiscal Year 2006, respectively and the unaudited financial statements (delivered pursuant to Section 5.10(e)) for Fiscal Year 2004 and Fiscal Year 2005, respectively, but in no event shall the periods be of different durations or the amounts be less than (if such amount is negative) or greater than (if such amount is positive) the amounts for the periods corresponding to the periods set forth above unless the Majority Lenders determine (in their reasonable discretion) that such periods and amounts warrant adjustment based on the financial condition of the Borrower as set forth in the applicable Projections, business plan or unaudited financial statements, which preliminary determination shall be made within 60 days of receipt by the Lenders of such Projections, business plan and unaudited financial statements, and such determination shall become effective after receipt and satisfactory review by the Lenders of the Financial Statements for Fiscal Year 2004, and Fiscal Year 2005, respectively."

(h) Section 6.9(b) of the Original Loan Agreement is deleted in its entirety and the following is substituted therefor:

"(b) Have or maintain, with respect to the Parent on a consolidated basis, Tangible Net Worth as of the dates set forth below at not less than the respective amounts set forth below opposite each such date:

"Date	Minimum Tangible Net Worth
April 30, 2003	$47,500,000

Date	Minimum Tangible Net Worth
July 31, 2003	$47,900,000
October 31, 2003	$57,600,000
January 31, 2004	$56,900,000

and the respective amounts for Fiscal Year 2005 and the Stub Period shall be determined in the sole discretion of the Majority Lenders within 60 days of receipt by the Lenders of the Projections and business plan (in each case delivered pursuant to Section 5.10(e)) for Fiscal Year 2005 and Fiscal Year 2006, respectively and the unaudited financial statements (delivered pursuant to Section 5.10(e)) for Fiscal Year 2004 and Fiscal Year 2005, respectively, and such determination shall become effective after receipt and satisfactory review by the Lenders of the Financial Statements for Fiscal Year 2004 and Fiscal Year 2005, respectively."

(i) Section 7.13 of the Original Loan Agreement (Capital Expenditures) is amended by deleting the amount "$1,750,000" appearing therein and substituting therefor the amount "$2,000,000".

SECTION 2.2 In order to evidence the Loans, as amended hereby, the Borrower shall execute and deliver to each Lender, simultaneously with the execution and delivery hereof, a promissory note payable to the order of such Lender in substantially the form of Exhibit A annexed hereto (hereinafter referred to individually as a "SUBSTITUTED NOTE" and collectively as the "SUBSTITUTED NOTES"). Each Lender shall, upon the execution and delivery by the Borrower of its applicable Substituted Note as herein provided, mark the Note delivered to it in connection with the Original Loan Agreement "Replaced by Substituted Note" and return it to the Borrower.

SECTION 2.3 (a) All references in the Original Loan Agreement or any other Loan Document to the "Loan(s)", the "Note(s)", and the "Loan Documents" shall be deemed to refer respectively, to the Loan(s) as amended hereby, the Substituted Note(s), and the Loan Documents as defined in the Original Loan Agreement together with, and as amended by, this First Amendment, the Substituted Notes and all agreements, documents and instruments delivered pursuant thereto or in connection therewith.

(b) All references in the Original Loan Agreement and the other Loan Documents to the "Loan Agreement", and also in the case of the Original Loan Agreement to "this Agreement", shall be deemed to refer to the Original Loan Agreement, as amended hereby.

SECTION 2.4 The Original Loan Agreement and the other Loan Documents shall each be deemed amended and supplemented hereby to the extent necessary, if any, to give effect to the provisions of this Agreement.

ARTICLE 3. WAIVER.

The Borrower has advised the Agent that:

(a) notwithstanding the requirement of subsection 6.9(a) of the Original Loan Agreement, the Parent on a consolidated basis, had EBITDA on a cumulative basis from the first day of its fiscal year through January 31, 2003 of less than $8,800,000; and

(b) notwithstanding the requirement of subsection 6.9(b) of the Original Loan Agreement, as of January 31, 2003, the Parent on a consolidated basis, had Tangible Net Worth of less than $53,500,000.

Such failures to comply with the foregoing requirements of subsections 6.9(a) and 6.9(b) of the Original Loan Agreement constitute Events of Default under Section 8.2 of the Loan Agreement (collectively, the "SPECIFIED EVENTS OF

DEFAULT").

The Lenders hereby waive the Specified Events of Default; provided, however, the waivers granted by the undersigned pursuant hereto with respect to the Specified Events of Default (i) are limited to the matters expressly stated above and, only for the period and/or dates, as the case may be, expressly stated above, and (ii) shall not be deemed to be a waiver of any future violations of any such provisions or a waiver of any violations of any other provisions of the Loan Agreement.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES.

Each of the Borrower and the other Loan Parties hereby represents and warrants to the Lenders and the Agent that:

SECTION 4.1 ARTICLE 3 OF ORIGINAL LOAN AGREEMENT; NO DEFAULTS.

(a) Each and every one of the representations and warranties set forth in Article 3 of the Original Loan Agreement is true in all respects as of the date hereof, except for changes which, either singly or in the aggregate, are not materially adverse to the business or financial condition of the Parent and its Subsidiaries, taken as a whole.

(b) As of the date hereof, after giving effect to this First Amendment, there exists no Event of Default under the Loan Agreement, and no event which, with the giving of notice or lapse of time or both, would constitute such an Event of Default.

SECTION 4.2 POWER, AUTHORITY, CONSENTS.

The Borrower and each other Loan Party has the power to execute, deliver and perform this First Amendment, and with respect to the Borrower, the Substituted Note. The Borrower has the power to borrow under the Original Loan Agreement as amended hereby and has taken all necessary corporate action to authorize the borrowing hereunder. Other than due authorization by the Board of Directors of the Borrower and each other Loan Party, each of which has been duly obtained, no consent or approval of any Person (including, without limitation, any stockholder of any corporate Loan Party or any partner in any partnership Loan Party), no consent or approval of any landlord or mortgagee, no waiver of any Lien or right of

distraint or other similar right and no consent, license, approval, authorization or declaration of any governmental authority, bureau or agency, is or will be required in connection with the execution, delivery or performance by the Borrower or any other Loan Party, or the validity or enforcement of this First Amendment or the Substituted Note.

SECTION 4.3 NO VIOLATION OF LAW OR AGREEMENTS.

The execution and delivery by the Borrower and each other Loan Party of this First Amendment (and with respect to the Borrower, the Substituted Note) and the performance by each of them hereunder, will not violate any provision of law or conflict with or result in a breach of any order, writ, injunction, ordinance, resolution, decree or other similar document or instrument of any court or governmental authority, bureau or agency, domestic or foreign, or the certificate of incorporation or by-laws of the Borrower or any other corporate Loan Party or the partnership agreement or any other organizational document of any Loan Party that is not a corporation, or create (with or without the giving of notice or lapse of time, or both) a default under or breach of any agreement, bond, note or indenture to which the Borrower or any Loan Party is a party, or by which any of them is bound or any of their respective properties or assets is affected (which default or breach would have a material adverse effect on the business, financial conditions or operations of the Borrower, the Parent and the Subsidiaries taken as a whole), or result in the imposition of any Lien of any nature whatsoever upon any of the properties or assets owned by or used in connection with the business of any of them except for the Liens created and granted pursuant to the Security Documents, as confirmed hereby.

SECTION 4.4 DUE EXECUTION, VALIDITY, ENFORCEABILITY.

This First Amendment and the Substituted Note have each been duly executed and delivered by each Loan Party which is a party hereto and each constitutes the valid and legally binding obligation of the Borrower or such other Loan Party that is a party thereto, enforceable in accordance with its terms; provided, however, that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws, now or hereafter in effect, relating to or affecting the enforcement of creditors' rights generally and the remedy of specific performance and other equitable remedies are subject to judicial discretion.

ARTICLE 5. ACKNOWLEDGMENTS, CONFIRMATIONS, CONSENTS.

(a) The Borrower hereby acknowledges and confirms that (i) the Liens and security interests granted pursuant to the Security Documents to which it is a party secure, without limitation, the due payment and performance of all of the Indebtedness, liabilities and obligations of the Borrower to the Lenders and the Agent under the Original Loan Agreement, as amended hereby and the Substituted Note, whether or not so stated in each of the Security Documents, and (ii) the term "Obligations" as used in the Security Documents (or any other term used therein to describe or refer to the Indebtedness, liabilities and obligations of the Borrower to the Lenders and the Agent) includes, without limitation, the Indebtedness, liabilities and obligations of the Borrower to the Lenders and the Agent under the Original Loan Agreement, as amended hereby and the Substituted Note.

(b) Each Guarantor hereby consents in all respects to the execution by the Borrower of this First Amendment and acknowledges and confirms that (i) the Guarantee Agreement guarantees, without limitation, the full payment and performance of the Indebtedness,

liabilities and obligations of the Borrower under the Original Loan Agreement, as amended hereby and the Substituted Note, and (ii) the term "Obligations" as used in the Guarantee Agreement (or any other term used therein to describe or refer to the Indebtedness, liabilities and obligations of the Borrower or the Guarantor(s) to the Lenders and the Agent) includes, without limitation, all of the Indebtedness, liabilities and obligations of the Borrower to the Lenders and the Agent under the Original Loan Agreement, as amended hereby and the Substituted Note.

(c) Each Corporate Guarantor hereby acknowledges and confirms that (i) the Liens and security interests granted pursuant to the Security Documents to which it is a party, secure, without limitation, all of the Indebtedness, liabilities and obligations of such Corporate Guarantor to the Lenders and the Agent under the Guarantee Agreement, as confirmed hereby, and (ii) the term "Obligations" as used in the Security Documents (or any other term used therein to describe or refer to the Indebtedness, liabilities and obligations of such Corporate Guarantor to the Lenders and the Agent) includes, without limitation, the Indebtedness, liabilities and obligations of such Corporate Guarantor under the Guarantee Agreement, as confirmed hereby.

ARTICLE 6. CONDITIONS TO EFFECTIVENESS OF THIS FIRST AGREEMENT.

This First Amendment shall become effective on the date of the fulfillment (to the satisfaction of the Agent) of the following conditions precedent:

(a) This First Amendment shall have been executed and delivered to the Agent by a duly authorized representative of the Borrower, the Agent and each Lender.

(b) The Borrower shall have executed and delivered to each Lender its Substituted Note.

(c) The Agent shall have received a Compliance Certificate from the Borrower dated the date hereof and the matters certified therein, including, without limitation, that after giving effect to the terms and conditions of this First Amendment, no Default or Event of Default shall exist, shall be true.

(d) The Agent shall have received copies of the following:

(i) Copies of all corporate action taken by the Borrower to authorize the execution, delivery and performance of this First Amendment, the Substituted Note and the transactions contemplated hereby, certified by its Secretary;

(ii) A certificate from the Secretary of the Borrower to the effect that since May 31, 1999 there have been no amendments, modifications or supplements to the Certificate of Incorporation or By-laws of the Borrower; and

(iii) An incumbency certificate (with specimen signatures) with respect to the Borrower.

(e) The Borrower shall have paid to the Agent for the ratable benefit of the Lenders, a waiver fee in the amount of $50,000.

(f) All legal matters incident hereto shall be satisfactory to the Agent and its counsel.

ARTICLE 7. MISCELLANEOUS.

SECTION 7.1 ARTICLE 10 OF THE ORIGINAL LOAN AGREEMENT. The miscellaneous provisions under Article 10 of the Original Loan Agreement, together with the definition of all terms used therein, and all other sections of the Original Loan Agreement to which Article 10 refers are hereby incorporated by reference as if the provisions thereof were set forth in full herein, except that (i) the terms "Loan Agreement", "Note(s)" and "Loan", shall be deemed to refer, respectively, to the Original Loan Agreement, as amended hereby, the Substituted Note(s) and the Loans, as amended hereby; (ii) the term "this Agreement" shall be deemed to refer to this Agreement; and (iii) the terms "hereunder" and "hereto" shall be deemed to refer to this Agreement.

SECTION 7.2 CONTINUED EFFECTIVENESS. Except as amended hereby, the Original Loan Agreement and the other Loan Documents are hereby ratified and confirmed in all respects and shall remain in full force and effect in accordance with their respective terms.

SECTION 7.3 COUNTERPARTS. This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

G-III LEATHER FASHIONS, INC.

BY: /S/ WAYNE MILLER

NAME: WAYNE S. MILLER
TITLE: CHIEF FINANCIAL OFFICER

[SIGNATURES CONTINUED ON FOLLOWING PAGES]

Agreed:

G-III HONG KONG LTD.

By: /s/ Wayne Miller

Director

G-III APPAREL GROUP, LTD.

By: /s/ Wayne Miller

Senior Vice President

SIENA LEATHER LTD.

By: /s/ Wayne Miller

Vice President

GLOBAL INTERNATIONAL TRADING
COMPANY

By: /s/ Wayne Miller

Vice President

INDAWA HOLDING CORP.

By: /s/ Wayne Miller

Vice President

GLOBAL APPAREL SOURCING, LTD.

By: /s/ Wayne Miller

Vice President

G-III RETAIL OUTLETS INC.

By: /s/ Wayne Miller

Vice President

P.T. BALIHIDES

By: /s/ K. Sutton Jones

Title

WEE BEEZ INTERNATIONAL LIMITED

By: /s/ Wayne Miller

Director

KOSTROMA LTD.

By: /s/ Wayne Miller

Director

G-III LICENSE COMPANY, LLC
BY G-III APPAREL GROUP, LTD. AS MANAGER

By: /s/ Wayne Miller

Senior Vice President

G-III BRANDS, LTD.

By: /s/ Philip H. Litwinoff

Chief Financial Officer

COMMITMENT	FLEET NATIONAL BANK,
$22,053,312.00	AS AGENT, COLLATERAL MONITORING AGENT, ISSUING BANK AND AS A LENDER

BY: /S/ JOSEPH J. NASTRI

NAME: JOSEPH J. NASTRI
TITLE: SENIOR VICE PRESIDENT

COMMITMENT	JPMORGAN CHASE BANK
$18,786,150.00	BY: /S/ LOUIS J. MASTRIANNI NAME: LOUIS J. MASTRIANNI TITLE: VICE PRESIDENT

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COMMITMENT ---------- $17,969,384.00	THE CIT GROUP/COMMERCIAL SERVICES, INC.
	BY: /S/ KEVIN J. GILLESPIE ------------------------------- NAME: KEVIN J. GILLESPIE TITLE: VICE PRESIDENT

G-III Leather Fashions, Inc.
Signature Page to Amendment No. 1 and Waiver
to Sixth Amended and Restated Loan Agreement dated as of March 18, 2003

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COMMITMENT ---------- $9,485,298.00	ISRAEL DISCOUNT BANK OF NEW YORK
	BY: /S/ MATILDE REYES -------------------------------- NAME: MATILDE REYES TITLE: VICE PRESIDENT

BY: /S/ HOWARD WEINBERG

NAME: HOWARD WEINBERG
TITLE: SENIOR VICE PRESIDENT I

G-III Leather Fashions, Inc.
Signature Page to Amendment No. 1 and Waiver
to Sixth Amended and Restated Loan Agreement dated as of March 18, 2003

COMMITMENT

HSBC BANK USA

$13,764,708.00

BY: /S/ MICHAEL P. BEHUNIAK, JR.

NAME: MICHAEL P. BEHUNIAK, JR.
TITLE: VICE PRESIDENT

G-III Leather Fashions, Inc.
Signature Page to Amendment No. 1 and Waiver
to Sixth Amended and Restated Loan Agreement dated as of March 18, 2003

COMMITMENT

$7,941,177.00

BANK LEUMI USA

BY: /S/ JOHN KOENIGSBERG
NAME: JOHN KOENIGSBERG
TITLE: FIRST VICE PRESIDENT

BY: /S/ PHYLLIS ROSENFELD
NAME: PHYLLIS ROSENFELD
TITLE: VICE PRESIDENT

G-III Leather Fashions, Inc.
Signature Page to Amendment No. 1 and Waiver
to Sixth Amended and Restated Loan Agreement dated as of March 18, 2003

EXHIBIT A TO AMENDMENT NO. 1 AND WAIVER TO
SIXTH AMENDED AND RESTATED LOAN AGREEMENT
BY AND AMONG
G-III LEATHER FASHIONS, INC.
THE LENDERS NAMED THEREIN
AND
FLEET NATIONAL BANK,
AS AGENT, COLLATERAL MONITORING AGENT AND ISSUING BANK

FORM OF SUBSTITUTED NOTE

$_____________ New York, New York
March 18, 2003

FOR VALUE RECEIVED, the undersigned G-III LEATHER FASHIONS, INC., a New York corporation (the "Borrower"), hereby promises to pay to the order of __________________ (the "Lender") on May 31, 2005 or on such earlier date as is provided for in the Sixth Amended and Restated Loan Agreement dated as of April 29, 2002 (as such Loan Agreement may be amended, modified or supplemented, the "Loan Agreement") among the Borrower, the lenders signatory thereto and Fleet National Bank, as Collateral Monitoring Agent, Issuing Bank and Agent (in its capacity as Collateral Monitoring Agent, together with its successors and assigns, the "Collateral Monitoring Agent"), the lesser of (i) the principal sum of __________ ($________) or (ii) the outstanding portion of the aggregate unpaid principal amount of the Loans (as defined in the Loan Agreement) made by the Lender to the Borrower pursuant to the Loan Agreement, and to pay interest on the unpaid principal amount of each Loan from the date thereof at the rates per annum and for the periods set forth in or established by the Loan Agreement and calculated as provided therein.

All indebtedness outstanding under this Note shall bear interest (computed in the same manner as interest on this Note prior to maturity) after maturity, whether at stated maturity, by acceleration or otherwise, at the Post-Default Rate (as defined in the Loan Agreement), and all such interest shall be payable on demand.

Anything herein to the contrary notwithstanding, the obligation of the Borrower to make payments of interest shall be subject to the limitation that payments of interest shall not be required to be made to the Lender to the extent that the Lender's receipt thereof would not be permissible under the law or laws applicable to the Lender limiting rates of interest which may be charged or collected by the Lender. Any such payments of interest which are not made as a result of the limitation referred to in the preceding sentence shall be made by the Borrower to the Lender on the earliest interest payment date or dates on which the receipt thereof would be permissible under the laws applicable to the

Lender limiting rates of interest which may be charged or collected by the Lender.

Payment of both principal and interest on this Note are to be made at the office of the Collateral Monitoring Agent at 1185 Avenue of the Americas, New York, New York 10036 or such other place as the holder hereof shall designate to the Borrower in writing, in lawful money of the United States of America in immediately available funds.

The Lender is hereby authorized by the Borrower to record on the schedule to this Note (or on a supplemental schedule thereto) the amount of each Loan made by the Lender to the Borrower and the amount of each payment or prepayment of principal of such Loans received by the Lender, it being understood, however, that failure to make any such notation shall not affect the rights of the Lender or the obligations of the Borrower hereunder in respect of this Note. The Lender may, at its option, record such matters in its internal records rather than on such schedule.

The Borrower and any Guarantor hereby grant to the Lender a lien, security interest and right of setoff as security for all liabilities and obligations to the Lender whether, now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of the Lender or any entity under the control of the Lender or in transit to any of them. At any time, without demand or notice, the Lender may set off the shares or any part thereof and apply the same to any liability or obligation of Borrower and any Guarantor even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE THE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER OR ANY GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

This Note is one of the Substituted Notes referred to in the First Amendment, is secured in the manner provided therein, may be prepaid upon and subject to terms and conditions thereof and is entitled to the benefits thereof.

This Note shall be deemed to be in substitution for and replacement of, and not a repayment of the Note dated as of April 29, 2002 made by the Borrower payable to the Lender (the "Prior Note") and all interest accrued and unpaid under such Prior Note shall be deemed evidenced by this Note and payable hereunder from and after the date of accrual thereof. The execution and delivery of this Note shall not be construed (i) to have constituted repayment of any amount of principal or interest on the Prior Note, or (ii) to release, cancel, terminate or otherwise impair all or any part of any lien or security interest granted to the Lenders party to the Loan Agreement or their agents as collateral security for the Prior Note.

Upon the occurrence of any Event of Default, as defined in the Loan Agreement, the principal amount of and accrued interest on this Note may be declared due and payable in the manner and with the effect provided in the Loan Agreement.

The Borrower shall pay costs and expenses of collection, including, without limitation, attorneys' fees and disbursements in the event that any action, suit or proceeding is brought by the holder hereof to collect this Note.

All capitalized terms used herein that are defined in the Loan Agreement and that are not otherwise defined herein shall have the respective meanings ascribed thereto therein, unless the context otherwise requires.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS RULES PERTAINING TO CONFLICTS OF LAWS. THE BORROWER AND THE LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE LENDER TO ACCEPT THIS NOTE AND MAKE THE LOAN.

G-III LEATHER FASHIONS, INC.

BY:

NAME: WAYNE S. MILLER
TITLE: SENIOR VICE PRESIDENT

EXHIBIT 21

G-III APPAREL GROUP, LTD.

SUBSIDIARIES OF THE COMPANY

(as of January 31, 2003)

G-III Leather Fashions, Inc., a New York corporation

G-III Retail Outlets, Inc., a Delaware corporation

G-III License Company, LLC, a Delaware Limited liability company

G-III Brands, Ltd., a Delaware Corporation

Siena Leather Ltd., a New York corporation

Global International Trading Company, A Korean corporation

G-III Hong Kong Ltd., a Hong Kong corporation

Indawa Holding Corp., a Delaware corporation

P.T. Balihides, an Indonesian corporation

Global Apparel Sourcing, Ltd., a Delaware corporation

G-III Apparel Manufacturing, Inc., a Tennessee corporation

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 Registration Nos. 33-45460, 33-45461, 33-81066, 333-51765, 333-80937, and 333-39298) of our report dated March 20, 2003, with respect to the consolidated financial statements and schedule of G-III Apparel Group, Ltd. and subsidiaries included in the Annual Report (Form 10-K) for the year ended January 31, 2003.

/s/ Ernst & Young LLP

New York, New York
April 25, 2003

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-K for the year ended January 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Morris Goldfarb, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Morris Goldfarb

Morris Goldfarb
Chief Executive Officer
April 24, 2003

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-K for the year ended January 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wayne S. Miller, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Wayne Miller

Wayne S. Miller
Chief Financial Officer
April 24, 2003